Calendar No. 292

104TH CONGRESS, *1st Session* | SENATE | REPORT 104–193

SAMHSA REAUTHORIZATION, FLEXIBILITY ENHANCEMENT AND CONSOLIDATION ACT OF 1995

DECEMBER 19, 1995.—Ordered to be printed

Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 1180]

The Committee on Labor and Human Resources, to which was referred the bill (S. 1180), to amend Title XIX of the Public Health Service Act to provide for health performance partnerships, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill, as amended, do pass.

CONTENTS

I. PURPOSE AND SUMMARY OF THE BILL

The Substance Abuse and Mental Health Services Administration (SAMHSA), was created in October 1992 by "The Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) Reor-

ganization Act'' (P.L. 102–321) to reduce the incidence of substance abuse and mental illness.

The fields of substance abuse treatment and prevention and mental health have changed considerably. So must the Federal approach in addressing these major public health issues. The purpose of ''The SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act'' is to:

> Reauthorize the SAMHSA to continue to improve the quality and availability of substance abuse prevention and treatment and mental health services to the people most in need;
>
> Consolidate 26 separate categorical authorities to streamline Federal management;
>
> Strengthen the relationship between the Federal Government and States in improving the health of individuals with these illnesses;
>
> Increase the flexibility of States and local communities to administer service programs needed in their communities to improve the health of their constituents; and
>
> Improve program effectiveness and accountability through data collection and ''benchmarking.''

Presently, many are debating the merits of traditional block grants and categorical grants. Traditional block grants are broader in scope and offer greater State discretion in the use of funds. However, accountability may be a problem because of the limited type of information available to allow Congress and program managers to effectively oversee block grants. On the other hand, categorical grants are narrower in scope, with greater Federal control; yet they provide more accountability.

Nevertheless, both block grants and categorical grants have led to some concerns. There has been concern about accountability among members of Congress on where Federal resources were going and what they were buying. Categorical grant funds could provide accountability but they could not provide flexibility to address most State-specific priorities. Conversely, block grants provided States with greater flexibility to address State-specific needs but could not demonstrate accountability.

The current Substance Abuse Prevention and Treatment (SAPT) and the Community Mental Health (MH) Block Grants are a combination of traditional block grants and categorical grants. The SAPT and MH Block Grants have numerous set-asides and mandates which provide limited accountability and flexibility for States to address State-specific priorities.

According to a General Accounting Office report (''Block Grants Characteristics, Experience, and Lessons Learned'' GAO/HEHS–95–74) on block grants ''there clearly is a need to focus on accountability for results.'' Consequently, many have been thinking about blending the two approaches—''no strings'' block grants and categorical grants.

As a result, the committee considered legislation to promote active participation between the States and Federal Government into what are called performance partnerships. Thus, the centerpiece of this legislation is the establishment of Performance Partnership Grants (PPGs). PPGs provide the opportunity for the Federal Government and States to focus on meeting the needs of persons who

suffer from mental illness and substance abuse. These "partnership" block grants would increase State flexibility in the use of mental health and substance abuse block grant funds while improving program accountability.

PPGs would establish a new basis for grant relationships between the Federal Government and States. This modification to the traditional block grants would direct the States and Federal Government to develop a continuing Federal-State partnership to make significant improvements in health outcomes for their constituents. Further, the PPGs would:

Provide States with increased control over setting their priorities for the expenditure of grant funds and managing their grant programs. In exchange, both States and the Federal Government will accept greater accountability for achieving results;

Support improvement in Federal and State data systems so that officials at all levels will be able to make decisions based on clearer and more quantifiable measures of the public's health;

Provide taxpayers and their representatives in State legislatures and the Congress with better information about the results that are achieved from program expenditures. This will document clearly how our investment in public health is improving the health of the American people.

SUMMARY OF THE MENTAL HEALTH PROVISIONS

The mental health provisions of S. 1180 would:

1. Reauthorize the mental health block grant as a Performance Partnership Block Grant (PPG). Each State and the Federal Government would work in partnership to develop goals and performance objectives to improve the mental health of adults with serious mental illness and children with serious emotional disturbances. Each State would submit a performance partnership proposal based on the State-selected goals and objectives for which the State would be held accountable. Funding for this PPG would be authorized at $280 million in fiscal year 1996 and "such sums" as necessary for each of the fiscal years 1997 through 1999.

2. Establish a transition provision for implementing the PPGs. States would begin the PPGs no sooner than October 1, 1997. This transition period would allow for the development of partnerships between the Federal Government and the States to: (1) develop the menu of objectives; (2) carry out a technical analysis of the availability, relevancy, and sufficiency of existing data sets; and (3) develop a plan to address insufficient data systems.

3. Eliminate set-asides. The current 10 percent set-aside to provide services for children with serious emotional disturbances would be repealed.

4. Consolidate 4 demonstration authorities into a general authority for priority mental health needs of regional and national significance. This section repeals separate categorical authorities for programs relating to: (1) clinical training and AIDS training; (2) community support programs; (3) homeless demonstrations; and (4) AIDS demonstrations. Each current demonstration grant would

continue under the same terms and conditions until the expiration of the grant period.

Through this single demonstration and training authority, the SAMHSA could provide technical assistance, conduct applied research, or conduct demonstration projects to address compelling mental health prevention and treatment needs of regional and national importance. All support for a specific project would be limited to 5 years.

Funding for this authority would be authorized at $50 million for each of the fiscal years 1996 and 1997 and $30 million for each of the fiscal years 1998 and 1999. This reduction reflects the expiration of the Access to Community Care and Effective Services and Supports (ACCESS) program at the end of fiscal year 1997 and transfers the authorized funding of approximately $21 million to the Projects for Assistance in Transition from Homelessness (PATH) program in fiscal year 1998. This funding level represents a 10 percent reduction from the combined totals of the 4 demonstration programs consolidated.

5. Continue the current PATH provisions. This provision will retain a focus on the expansion of services for the mentally ill homeless. The major problem currently facing the mentally ill homeless, regardless of whether they receive outpatient commitment is the lack of adequate treatment capacity. Continuation of the PATH program would assure that services for the mentally ill homeless are either maintained or expanded. Funding for this block grant would be authorized at $29 million for each of the fiscal years 1996 and 1997 and $50 million for each of the fiscal years 1998 and 1999. The increase in funding reflects the transfer of approximately $21 million from the ACCESS program to the PATH program beginning in fiscal year 1998.

6. Continue the Children's Mental Health Services Program. Through this separate demonstration and training authority, appropriate community services for children suffering from severe mental disorders would continue as provided for under current law. Funding for this authority would be authorized at $60 million in fiscal year 1996 and "such sums" as necessary for each of the fiscal years 1997 through 1999.

7. Permit States to provide funding to for-profit organizations in order to facilitate integration of services. This provision would provide flexibility for States to utilize the services of mental health managed care programs to operate Medicaid-managed mental health programs.

8. Permit the Secretary to reserve up to 5 percent of funds for data collection, technical assistance, and evaluations. This provision would permit the Secretary to reserve up to 5 percent of the amount appropriated in any fiscal year for necessary data collection development and strengthening, technical assistance, and program evaluation.

SUMMARY OF THE SUBSTANCE ABUSE TREATMENT AND PREVENTION PROVISIONS

The substance abuse prevention and treatment provisions of S. 1180 would:

1. Reauthorize the substance abuse prevention and treatment services block grant as a Performance Partnership Block Grant (PPG). Each State and the Federal Government would work in partnership to develop goals and performance objectives. The State needs-assessments could be utilized to assist States in selection of their objectives. State-selected objectives would: (1) reduce the incidence and prevalence of substance abuse and dependence; (2) improve access to appropriate prevention and treatment programs for targeted populations; (3) enhance the effectiveness of substance abuse prevention and treatment programs; and (4) reduce the personal and community risks for substance abuse. Funding for this authority would be authorized at $1.3 billion in fiscal year 1996 and "such sums" as necessary for each of the fiscal years 1997 through 1999.

2. Establish a transition provision for implementing the PPGs. States would begin the PPGs no sooner than October 1, 1997. This transition period would allow for the development of partnerships between the Federal Government and the States to: (1) develop the menu of objectives; (2) carry out a technical analysis of the availability, relevancy, and sufficiency of existing data sets; and (3) develop a plan to address insufficient data systems.

3. Repeal certain set-asides and mandates. Set-asides for alcohol and drug prevention and treatment activities would be repealed upon enactment of this legislation. Also, States would be required to follow current law for other set-asides until the PPGs begin in fiscal year 1998, and the following mandates and set-asides are repealed:

A minimum allocation of funds for services to pregnant women and women with dependent children;

Timely access to treatment for injecting drug users;

Provision of tuberculosis and HIV early intervention services;

Submission of an annual Statewide assessment of needs;

Establishment of State revolving loans for group homes for recovering substance abusers.

Because the PPGs are designed to ensure accountability through State-selected objectives and data-driven decision making, these provisions are no longer needed to assure accountability when the PPGs are implemented.

4. Maintain a treatment focus for women and injecting drug users (IDUs). This provision would require a substance abuse treatment preference for women and a priority admission for IDUs and others who are at greatest risk for HIV infection. Because IDUs and other types of substance abusers (i.e., crack-cocaine users) are among the highest at-risk exposure categories for HIV infection, this provision would require grantees to grant IDUs and other substance abusers determined to be at risk for HIV infection priority admission to treatment services.

Further, because pregnant substance-abusing women require immediate and unique services, this provision would require grantees to continue to grant pregnant women preference in admission to treatment services and program.

5. Retain the 20 percent set-aside for primary prevention activities.

6. Consolidate 13 demonstration programs into 2 separate authorities for substance abuse prevention and treatment needs of regional and national significance. This section would repeal separate categorical authorities for programs relating to: (1) residential treatment programs for pregnant women, (2) demonstration projects of national significance, (3) substance abuse treatment in State and local criminal justice systems, (4) training in the provision of treatment services, (5) outpatient treatment programs for pregnant and postpartum women, (6) employee assistance programs, (7) national capital area demonstration, (8) capacity expansion (categorical grant) programs, (9) community prevention programs, (10) national capital area demonstrations, (11) clinical training of substance abuse prevention professionals, (12) high-risk youth, and (13) public education and information dissemination. Through these separate consolidated demonstration and training authorities, the SAMHSA could provide technical assistance, conduct applied research, or conduct demonstration projects to address compelling substance abuse prevention and treatment needs of regional and national importance. All support for a specific project would be limited to 5 years.

Funding for the prevention authority would be authorized at $215 million and for treatment, $195 million in fiscal year 1996 and "such sums" as necessary for each of the fiscal years 1997 through 1999. These funding levels represent a 10 percent reduction from the combined total of the 13 demonstration programs consolidated in these authorities. In the event of reductions in the appropriations for the demonstration and training programs, the Secretary would decide which existing programs to reduce or eliminate.

7. Permit States to provide funding to for-profit organizations in order to facilitate integration of services. This provision would provide flexibility for States to utilize the services of substance abuse treatment managed care programs to operate Medicaid-managed substance abuse treatment programs.

8. Permit the Secretary to reserve up to 5 percent of funds for data collection, technical assistance, and evaluations. This provision would permit the Secretary to reserve up to 5 percent of the amount appropriated in any fiscal year to assist States with developing and strengthening their capacity for data collection. Also, the Secretary could use these funds for necessary data collection, technical assistance, and program evaluation.

9. Reduce the tobacco regulation penalty. This provision would reduce the current penalty applied to a State when it fails to prohibit effectively the sale of tobacco products to individuals under the age of 18. This provision would reduce the current penalties by one-half.

SUMMARY OF GENERAL PROVISIONS, PROTECTION AND ADVOCACY, AND INSTITUTES OF THE NATIONAL INSTITUTES OF HEALTH

Other provisions of S. 1180 would:

1. Permit the transfer between substance abuse and mental health allotments. This provision would permit States to transfer up to 10 percent of their funds between the mental health and the substance abuse PPGs.

2. Reauthorize Protection and Advocacy for Mentally Ill Individuals. This program would be reauthorized for 3 years and is renamed the "Protection and Advocacy for Individuals with Mental Illnesses Act of 1986."

3. Reauthorize the National Institute on Alcohol Abuse and Alcoholism (NIAA), the National Institute on Drug Abuse (NIDA) and the National Institute of Mental Health (NIMH). This provision reauthorizes each of the Institutes and programs for only 1 year in order to correspond with the reauthorization of the entire National Institutes of Health in 1996.

II. Background and Need for Legislation

The incidence of substance abuse—the abuse of alcohol and illicit drugs—and of mental illness has been for many years a matter of concern in the United States. The 1993 National Household Survey on Drug Abuse showed that more than 77 million persons reported that they had used illicit drugs at some time during their lives. The most commonly used illicit drug was marijuana, and the next most commonly used drugs were prescription-type psychotherapeutic drugs and cocaine. Almost 70 million persons reported using marijuana, 23 million reported using cocaine, 4 million reported using crack cocaine, 18 million reported using hallucinogens, and more than 2 million reported using heroin at some time during their lives. According to this survey, an estimated 37.2 percent of the household population aged 12 and older in the United States reported that they had used one or more illicit drugs in their lifetimes, 11.8 percent had used illicit drugs in the past year, and 5.6 percent had used them in the last month. Estimates indicate that nearly 18 million persons aged 18 and older have problems related to alcohol abuse and alcoholism.

The Office of National Drug Control Policy, in its 1995 National Drug Control Strategy report, reports increasing evidence of two disturbing trends in substance abuse in the United States. First, surveys indicate that rates of illicit drug use are rising among the Nation's youth, and second, the use of heroin is increasing, particularly because those who already are drug users are adding heroin to the list of drugs they consume. In addition, there are new users of heroin, many of them young people. This increase of drug use among youth threatens the progress that has been made in recent years and could lead to an upsurge in the number of chronic, hardcore drug users and the problems they create.

Antidrug messages appear to be losing their potency among young people. Drug-use surveys report that adolescents are increasing their use of illicit drugs, particularly marijuana and hallucinogens. The Monitoring the Future study, also known as the High School Seniors Survey, found evidence in its 1991 study that attitudes against regular use of marijuana were weakening among youth, and this attitude change was followed by an increase in reported drug use in the 1992 survey. For the second year in a row, past-month use of marijuana, as well as other drugs such as stimulants, hallucinogens, and inhalants, continued to increase among this population.

Concerning mental illness, almost one in three people will have a mental illness in a given year while more than one in two people

will have a mental disorder during his or her lifetime. Mental disorders can strike cruelly, producing hallucinations, paranoia, depression, panic, and obsessions. Some persons with serious mental illness experience moderate problems, while others have severe problems that continue over a long period of time. The population of persons with serious mental illness is a heterogeneous group with different diagnoses, different levels and duration of disability, and therefore, different needs. Because of these disorders, many individuals are unable to complete their education, maintain employment, or lead productive lives. A 1992 survey conducted by the National Center for Health Statistics and the National Institute of Mental Health (NIMH) estimated that there are approximately 3.3 million persons 18 years old or older in the civilian noninstitutionalized population of the United States who had a serious mental illness in the years preceding the survey. Approximately 2.6 million of these adults are limited by their disorder in work, personal care, social functioning, concentrating, and coping with day-to-day stress.

Approximately 77 percent of persons with a serious mental illness saw a mental health professional in the year before the survey. Among those who did not see a mental health professional, most had seen a doctor or other health professional. Serious mental illnesses comprise a wide range of disorders including psychoses, neuroses, schizophrenia, personality disorders, organic brain syndrome, depression, and others. The prevalence of mental disorders is high. Over 8 percent of Americans will experience a depressive illness in their lifetime. Almost 15 percent will be diagnosed with an anxiety disorder such as panic disorder or obsessive-compulsive disorder. Approximately 1.7 million to 2.8 million Americans currently suffer from a persistent and severely disabling mental disorder such as schizophrenia or bipolar disorder (formerly known as manic depressive illness).

Throughout the last 30 years, the Congress has enacted legislation to create and support a variety of Federal programs to support research into the causes and treatment of substance abuse and mental illness and to establish and support programs of prevention and treatment. These programs, formerly under the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA), are currently administered by the National Institutes of Health (NIH) in 3 institutes—the National Institute of Mental Health (NIMH), the National Institute on Drug Abuse (NIDA), and the National Institute of Alcohol Abuse and Alcoholism (NIAAA). The Substance Abuse and Mental Health Services Administration (SAMHSA) of the Department of Health and Human Services (HHS), focuses on treatment and services for individuals who are mentally ill or chemically dependent.

The first legislation to establish a Federal program for the support of treatment in this area was the Community Mental Health Centers Construction Act of 1963 (P.L. 88–164) which authorized Federal grants to the States for the construction and expansion of community centers for the treatment of persons with mental illness. Funds were allocated to the States on the basis of population, extent of facility need, and State financial need. Amendments to the legislation in 1965 added Federal support for the initial staffing

of community mental health centers. Additional amendments in the subsequent years expanded the program further.

The 1968 Alcohol and Narcotic Addict Rehabilitation Amendments broadened the mental health centers program by adding construction and initial staffing assistance for centers and other specialized facilities for the treatment of alcoholism and narcotics addiction. This was intended to provide an incentive for localities to initiate new services for persons with alcohol or other substance abuse problems. In subsequent years, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, (P.L. 91–616) and the Drug Abuse Office and Treatment Act of 1972 (P.L. 92–255) established separate programs to focus Federal activities on research, prevention, treatment, and rehabilitation of persons with substance abuse problems. These included formula grants to States and project grants for alcohol and drug abuse treatment and prevention programs. These two pieces of legislation also established two agencies, the National Institute on Alcoholism and Alcohol Abuse (NIAAA) and the National Institute on Drug Abuse (NIDA), to administer the respective grant programs and related activities in research, training, prevention, and public information. In 1974, the two institutes were combined with NIMH under ADAMHA, which became the lead agency in the Department of Health and Human Services (HHS) on substance abuse and mental health activities.

In 1981, the separate alcohol and drug abuse project and formula grants to the States, along with the community mental health centers grant program, were consolidated, under the Omnibus Budget Reconciliation Act (P.L. 97–35), into the Alcohol, Drug Abuse, and Mental Health Services Block Grant. This block grant authorized, under title XIX of the Public Health Service (PHS) Act, the provision of funds to States for prevention, treatment, and rehabilitation programs and activities to deal with alcohol and drug abuse. Also, grants were provided to community mental health centers for the provision of mental health services, including services for individuals with serious mental illness, children and adolescents with severe mental disturbances, elderly individuals with mental illness, and other underserved populations.

ADAMHA continued to administer title XIX as well as title V of the PHS Act, which authorizes related substance abuse and mental health programs and activities in the areas of prevention and biomedical, clinical, and services-related research, through October 1, 1992. The ADAMHA Reorganization Act of 1992, signed into law on July 10, 1992, as P.L. 102–321, split the block grant into two separate block grants—one for substance abuse prevention and treatment and the other focusing on community mental health services. It also transferred NIAAA, NIDA, and NIMH with their research and related activities to the National Institutes of Health. ADAMHA was renamed the Substance Abuse and Mental Health Services Administration (SAMHSA), with its program focus on prevention and treatment services.

III. Legislative History and Committee Action

The SAMHSA Reauthorization, Flexibility Enhancement and Consolidation Act of 1995, S. 1180, was introduced on August 10,

1995, by Senator Kassebaum. The bill was referred to the Senate Committee on Labor and Human Resources, which held a hearing to consider the legislation on July 27.

On October 12, 1995, the committee held an executive session to consider S. 1180. An amendment in the nature of a substitute was brought up for consideration by Chairman Kassebaum. Three amendments were adopted in executive session, and S. 1180 was ordered to be reported favorably to the full Senate by a rollcall vote of 16 yeas.

A. AMENDMENTS ADOPTED BY VOICE VOTE DURING EXECUTIVE SESSION

One amendment was adopted in executive session by voice vote.

1. Senator Wellstone offered an amendment to provide for separate authorities for priority substance abuse prevention and treatment demonstration and training needs of regional and national significance.

B. FOUR ROLLCALL VOTES WERE TAKEN DURING EXECUTIVE SESSION

1. The Kassebaum amendment replaced the homeless mentally ill provisions with a provision to reauthorize the Projects for Assistance in Transition from Homelessness (PATH) program. The committee unanimously adopted the amendment by a rollcall vote of 16 yeas.

YEAS	NAYS
Kassebaum	
Jeffords	
Coats	
Gregg	
Frist	
DeWine	
Ashcroft	
Abraham	
Gorton	
Kennedy	
Pell	
Dodd	
Simon	
Harkin	
Mikulski	
Wellstone	

2. Senator Kennedy offered an amendment to delete section 312, relating to nondiscrimination and institutional safeguards for religious providers. It failed by a rollcall vote of 8 to 8.

YEAS	NAYS
Kassebaum	Kennedy
Coats	Pell
Gregg	Dodd
Frist	Simon
DeWine	Harkin
Ashcroft	Mikulski
Abraham	Wellstone
Gorton	Jeffords

3. Initially, the chairman's substitute failed by a tie rollcall vote of 8 to 8.

YEAS	NAYS
Kassebaum	Kennedy
Coats	Pell
Gregg	Dodd
Frist	Simon
DeWine	Harkin
Ashcroft	Mikulski
Abraham	Wellstone
Gorton	Jeffords

4. Senator Ashcroft then asked unanimous consent to strike section 312 of the substitute, relating to nondiscrimination and institutional safeguards for religious providers. There was no objection to Senator Ashcroft's request, and subsequently, the chairman's substitute was ordered to be reported favorably to the full Senate by a rollcall vote of 16 yeas.

YEAS	NAYS
Kassebaum	
Jeffords	
Coats	
Gregg	
Frist	
DeWine	
Ashcroft	
Abraham	
Gorton	
Kennedy	
Pell	
Dodd	
Simon	
Harkin	
Mikulski	
Wellstone	

IV. COMMITTEE VIEWS

GENERAL

The committee is particularly interested in the issues of accountability and flexibility as they relate to Federal and State efforts to address problems of substance abuse and mental illness. Unfortunately, there has been limited success in defining the State and Federal roles in a way which satisfactorily meet both of these objectives.

The "no-strings-attached" block grant approach offers substantial State flexibility and is based on the philosophy that States are in the best position to understand and respond to the public health problems they face. Frequently, however, block grants provide no means by which to assure accountability for Federal dollars.

Greater accountability can be obtained through categorical grant programs, but it is gained at the expense of limiting the ability of States to provide services specific for their constituents. Substance abuse and mental health priorities are set, and grantees are funded according to Federal—not State—priorities.

In addition, neither the block grant nor the categorical grant approach generates the kind of data necessary for either the States or the Federal Government to adequately identify and address substance abuse and mental health concerns or to document what the Federal Government's investment is actually achieving.

In an environment of increasing fiscal constraints, substance abuse and mental health programs that lack information about their effectiveness—whether they are categorical programs or block grants—risk serious reductions in funding or even elimination. The committee believes that accountability based on solid information is essential to the continued existence of mental health and substance abuse prevention and treatment programs.

In an effort to develop a better means for achieving the twin objectives of accountability and flexibility, the committee has developed legislation to promote "performance partnerships" between the States and the Federal Government. The Performance Partnership Grants (PPGs) authorized by S. 1180 are designed to enhance the role of the Federal, State, and local governments in improving the health of their people by increasing flexibility and reducing administrative burdens; streamlining Federal management; and creating new relationships between the States and Federal Government through outcome-oriented performance measures.

Block grants and PPGs are similar in that they both authorize Federal formula assistance to States to support activities in certain general program areas. However, there are important differences between the two. The most significant differences are in the areas of State responsibility and flexibility, performance measures and accountability, and earmarks and set-asides.

PPGs are designed to reduce the role of the Federal Government in setting State priorities and specifying how States must spend block grant funds, promoting instead a "partnership" relationship between the Federal Government and the State in addressing these priorities. The new partnership would allow States greater flexibility in selecting objectives that meet State-determined needs.

PPGs would also provide the States with increased control over setting their own priorities for the expenditure of funds and the management of grant programs by focusing on the results achieved from those expenditures. State selection of performance objectives would provide the States and Federal Government with information about results—whether the State programs are effective in improving health outcomes. As a result, taxpayers and their representatives in State legislatures and the Congress will have better information about the results achieved from program expenditures—results measured in actual improvements in the health of the American people.

The committee recognizes that accountability is essential to the continued existence and effectiveness of mental health and substance abuse prevention and treatment programs. The committee also recognizes that States require a greater degree of flexibility in order to address the problems specific to their constituents.

As such, the purpose of this legislation is two-fold:

1. To achieve a continuing "partnership" between the States and Federal Government aimed at improving prevention and treatment services for individuals with or at risk for substance abuse and mental illnesses; and

2. To strengthen the Federal and State capacity to obtain useful information. Such information is needed to monitor the nation's health; detect the emergence of health problems at an early stage—before they become dangerous and expensive; identify where to target limited resources; document program accomplishments; and evaluate program effectiveness.

Section 101. Replacement of the State plan program with performance partnerships

The committee expects the Secretary to work in partnership with the States, Indian tribes, local governments, providers, consumers, and families of consumers. The aim of this partnership is to develop and update national benchmarks—measures for determining a State's performance in the provision of community-based mental health services for adults with serious mental illness and children with serious emotional disturbance.

The committee wishes to underscore the need for linkages between grantees and other relevant providers in such areas as juvenile justice, housing, and criminal justice. In addition, the committee believes that coordination between grantees, States, and other relevant providers is critical in order to avoid duplication of services and strengthening systemic efforts to deal effectively with related issues. The committee encourages SAMHSA to monitor a grantee's demonstrated development of such integrated, comprehensive community-based services for adults with serious mental illness and children with serious emotional disturbances.

The committee expects the Secretary to negotiate individual performance agreements with each State specifying State-specific program goals, performance targets, and time frames. The committee recognizes that States lack uniform data systems which are relevant, sufficient, and appropriate to measure mental health outcomes. Until such data systems become available to measure uniformly mental health outcomes, States may select process or capac-

ity objectives to measure. No State is obligated to enter into a performance partnership agreement before October 1, 1997.

The committee believes effective substance abuse and mental health programs would benefit from relevant, sufficient, and effective data collection activities. The committee recognizes that it is also vital for the States and Federal Government to gather such information as efficiently as possible so that the States and Federal Government do not divert scarce resources from the delivery of mental health services that communities need.

The committee acknowledges the need for the Secretary of Health and Human Services to consult with the States and others in preparation for the implementation of the Performance Partnership Grants. Further, the committee expects the Secretary and the States to take into account all available information for identifying high-priority mental health problems such as the special needs of those who are homeless, dually diagnosed, and/or pregnant. The committee intends for States to meet the health needs of American Indians/Alaskan Natives who live within their boundaries.

Negotiations on performance partnerships

The committee emphasizes that the new formula grants authorized by this legislation are truly partnerships. Each State has the authority to negotiate with the Secretary and the flexibility to select the most significant problems in the State that it intends to address. The committee expects that the States and the Secretary will make all reasonable efforts to agree on the Performance Partnerships to ensure that the most significant mental health needs of the States are appropriately addressed.

Community participation

The committee believes that, under the Performance Partnerships, individuals will receive the greatest benefit when States consider the viewpoints of local governments, providers, consumers, and families of consumers. Thus, the legislation retains mental health planning councils and section 1941 of the Public Health Service Act.

Section 103. State opportunity to correct or mitigate failure to maintain effort

The committee remains concerned that States may redirect funds previously allocated for mental health programs to meet other State priorities. The committee strongly discourages such a practice.

The intent of this provision is to allow States which are not in compliance with the maintenance-of-effort requirements 1 year, after being informed, to correct or mitigate the situation. If the Secretary determines that a State is not in compliance, the committee expects that any penalty will be first imposed to allowances that would not detract from the provision of mental health services for the people most in need.

Section 104. Funding for organizations that are for-profit

The committee recognizes that, since 1981, for-profit entities have not been eligible for block grant or categorical funding author-

ized under this act. The committee believes that in order to improve the quality and comprehensiveness of care, States may need to integrate further their public and private health systems.

As such, it is the intent of the committee for this provision to provide flexibility for States to utilize the services of mental health managed care programs. This will allow States to operate Medicaid and other managed mental health programs to facilitate integration of mental health services within each State to achieve standardization of care and cost reductions while continuing to ensure quality service. Further, for the first time, this provision would allow the Secretary to look at the relationship between the public and nonprofit entities and the private for-profit sector.

Section 106. Data collection, technical assistance, and evaluations

The committee recognizes the need for States to develop and strengthen their capacity for data collection in order to measure mental health outcomes. The intent of the committee is to permit the Secretary to reserve up to 5 percent of the amount appropriated in any fiscal year for necessary data collection, technical assistance, and program evaluation. The committee encourages the Secretary in partnership with the States, Indian tribes, local governments, providers, consumers, and families of consumers to develop data systems which are relevant, sufficient, and appropriate to measure State-specific and national outcomes.

Section 107. Projects for assistance in Transition From Homelessness Program

The committee strongly endorses the need for and reauthorization of the Projects to Assist in the Transition from Homeless Program (PATH). The committee recognizes the need to retain a focus on the expansion of services for the mentally ill homeless. The decision of the committee to continue the PATH program would assure that services for the mentally ill homeless are either maintained or expanded.

On July 27, 1995, the Committee on Labor and Human Resources held a hearing on the Substance Abuse and Mental Health Services programs. Based on testimony presented on the outpatient commitment of the gravely disabled mentally ill homeless proposal, the committee believes the major problem currently facing the mentally ill homeless, regardless of whether they receive outpatient commitment or not, is the lack of adequate treatment capacity.

Because existing programs do not provide adequate treatment options for the gravely disabled mentally ill homeless, the committee strongly encourages States, in partnership with physicians and judges, to build outpatient capacity for those gravely disabled mentally ill homeless who have been committed. The committee recommends the inclusion of intensive case management, technical assistance, training for judges, and procedures to protect patients' civil rights as some of the areas to consider. The intent of the committee in increasing the authorization level of the PATH program is to assist States with increasing their outpatient treatment capacity for the gravely disabled mentally ill homeless.

Section 108. Priority mental health needs of regional and national significance and section 109 repeals

The intent of the committee is to consolidate programs by eliminating separate categorical funding. Approximately 4 separate categorical programs would be consolidated into a mental health prevention and treatment demonstration and training authority. This consolidation will streamline program operations and provide enhanced flexibility to both States and the Federal Government. Further, the committee believes a targeted demonstration agenda will allow for the development of partnerships between the State, local, and Federal Government to identify and prioritize major issues facing the mental health treatment fields.

The intent of this provision is to provide the Secretary with flexibility to develop information and knowledge of immediate use to service providers and policy makers. The committee expects the Secretary in partnership with the State, local government, community representatives, Indian tribes and tribal organizations to develop projects that will be helpful to the State based on input from these organizations.

The Secretary may make grants to and enter into contracts and cooperative agreements with States, political divisions of States, and private entities (including nonprofit, Indian tribes and tribal organizations), and may establish financial matching, maintenance-of-effort, nonsupplantation requirements. Each project will be required to have a strong evaluation component and to compare outcomes against anticipated results. The committee expects that outcomes will be reported on an ongoing basis throughout projects and that results will be quickly disseminated to the States, local jurisdictions, providers, consumers, and families of consumers.

The committee believes the mental health authority will provide the Secretary the opportunity to assess innovative systems of providing comprehensive, integrated services to priority populations such as the homeless, the dually diagnosed, and others. It will permit the exploration into the provision of mental health services through managed care systems and the development of quality standards.

Further, the mental health provision allows the Secretary to develop and evaluate new technologies. It also provides authority for the Secretary to assess methods to train specialty and primary care personnel to meet the needs of the mental health service system. This authority would permit the Secretary to develop and evaluate public and consumer education programs.

Section 201. Replacement of State Plan Program with Performance Partnerships

The committee expects the Secretary to work in partnership with the States, Indian tribes, local governments, providers, consumers, and families of consumers. The aim of this partnership is to develop and update national benchmarks—measures for determining a State's performance in the provision of substance abuse treatment and prevention services to: (1) reduce the incidence and prevalence of substance abuse and dependence; (2) improve access to appropriate prevention and treatment programs for targeted populations; (3) enhance the effectiveness of substance abuse prevention

and treatment programs; and (4) reduce the personal and community risks for substance abuse.

The committee wishes to underscore the need for linkages between grantees and other relevant providers in areas such as public health, HIV/AIDS, tuberculosis and immunization, juvenile and criminal justice, and social services. In addition, the committee believes that coordination between grantees, States, and other relevant providers is critical in order to avoid duplication of services and strengthening systemic efforts to deal effectively with related issues. The committee encourages SAMHSA to monitor a grantee's demonstrated development of such integrated comprehensive community-based services for substance abusers.

The committee expects the Secretary to negotiate individual performance agreements with each State specifying State-specific program goals, performance targets, and time frames. The committee recognizes that States lack uniform data systems which are relevant, sufficient, and appropriate to measure substance abuse outcomes. Until such data systems become available to measure uniformly substance abuse treatment outcomes, States may select process or capacity objectives to measure. No State is obligated to enter into a Performance Partnership agreement before October 1, 1997.

The committee believes effective substance abuse and mental health programs would benefit from relevant, sufficient, and effective data collection activities. Thus, the committee recognizes it is also vital for the State and Federal Government to gather such information as efficiently as possible so that the State and Federal Government do not divert scarce resources from the delivery of substance abuse prevention and treatment services.

The committee acknowledges the need for the Secretary of Health and Human Services to consult with the State and others in preparation for the implementation of the Performance Partnership Grants. Further, the committee expects the Secretary and the States to take into account all available information for identifying high-priority substance abuse problems in each State—such as the special needs of those who are co-morbid, crack-cocaine users, injecting drug users, dually diagnosed, and/or pregnant. The committee intends for the States to meet the health needs of American Indians/Alaskan Natives who live within their boundaries.

Negotiations on Performance Partnerships

The committee emphasizes that the new formula grants authorized by this legislation are truly partnerships. Each State has the authority to negotiate with the Secretary and the flexibility to select the most significant problems in the State that it intends to address. The committee expects that the States and the Secretary will make all reasonable efforts to agree on the Performance Partnerships to ensure that the most significant substance abuse treatment and prevention needs of the States are appropriately addressed.

Community participation

The committee believes that, under the Performance Partnerships, individuals will receive the most benefit when States con-

sider the viewpoints of local governments, providers, consumers, and families of consumers. Thus, the legislation retains section 1941 of the Public Health Service Act.

Section 1941 requires States to make their performance agreements public within the State in such a manner to facilitate comment from any person or organization. As such, the committee believes that local governments, providers, consumers, and families of consumers are assured an opportunity to comment on the Performance Partnership agreements. The committee strongly urges States to continue to follow this provision.

Section 203. Tuberculosis and HIV

The tuberculosis and HIV provisions modify current law requirements. These modifications of current law provisions will be required only until a State begins its first PPG.

The tuberculosis provision revises the minimum threshold from 10 per 100,000 cases of AIDS to 15 per 100,000 at which point a State is required to carry out HIV early intervention services. It is the intent of the committee to raise the AIDS case-rate threshold requirement for the provision of HIV early intervention services to target resources more effectively to States with the greatest need in addressing co-morbid conditions of substance abusers.

The committee recognizes the importance of screening substance abusers for tuberculosis infection through conducting risk assessments and testing for tuberculosis infection. The committee expects States to establish linkages with State and local tuberculosis and HIV/AIDS health providers in order to appropriately refer infected substance abusers for medical evaluation and treatment.

The committee provides a "payor of last resort" provision to ensure that substance abuse treatment funds are used appropriately and effectively for those activities and that other related activities are provided through other appropriate providers and resources.

Section 204. Group homes for recovering substance abusers

It is the intent of the committee to provide greater flexibility to States by requiring only States that have current obligations under the revolving loan fund to continue their loan funds for group homes for substance abusers. States which have not utilized or are not currently providing for their loan fund would be exempt from maintaining the establishment of such loan funds. The committee encourages States which are eligible for this exemption to use funds established under this provision to provide other substance abuse treatment services.

Although the requirement for such funds to be maintained in any State would be repealed on September 30, 1998, it is not the intent of the committee to preclude any State from making funds available for this loan from other non-Federal resources.

Section 205. Sale of tobacco products to certain individuals

The committee reduces the tobacco regulation penalties for a State found out of compliance with laws prohibiting the sale of tobacco products to individuals under the age of 18. This provision would reduce the penalties by half from 10 percent to 5 percent in the first year; 20 percent to 10 percent in the second year; 30 per-

cent to 15 percent in the third year; and 40 percent to 20 percent in the fourth year. The committee has been told by the States that this penalty is overly burdensome and reduction in these penalties will not lessen their efforts to comply with this statute.

The committee emphasizes that while the penalties for the tobacco (Synar) requirements have been reduced, a State's obligation under current statute has not been amended. Further, this reduction does not reflect the views of the committee regarding the seriousness and efforts of States enforcing this requirement.

As such, the committee strongly encourages the States to increase their efforts in reviewing and monitoring the compliance with these laws within their State. Also, the committee reemphasizes that the Secretary should ensure that all States have in effect laws prohibiting the sale of tobacco products to individuals under the age of 18.

The committee believes that promulgation of regulations implementing these laws, which were passed nearly 4 years ago and are known as the Synar Amendment, is of paramount importance. The committee calls on the Secretary promptly to publish final regulations implementing these laws.

Section 206(c). Priority admission

The committee bill repeals section 1923 of the Public Health Service Act, which requires States to ensure that injecting drug abusers who seek treatment are admitted for treatment within 14 days or are provided with interim services and treatment within 120 days if program capacity is full.

The committee recognizes a continuing need to place a Federal priority on treatment and admission of injecting drug users (IDUs) and others, such as crack-cocaine users, at greatest risk of contracting HIV infection. Almost three quarters of new HIV infections in 1994 occurred among substance abusers, mainly injecting drug users and crack-cocaine addicts (unpublished data, Centers for Disease Control and Prevention, as reported in the New York Times, February 28, 1995).

The committee included a provision to replace the aforementioned provision with a requirement that States will ensure that, in the provision of substance abuse treatment, priority admission will be given to IDUs and others at greatest risk for HIV infection.

The committee defines "priority" to mean that States would give additional consideration to IDUs and others at greatest risk for HIV infection. The committee encourages States to develop a system to identify all IDUs and others at-risk of HIV infection who seek treatment in order to place all such persons identified in treatment in a timely manner. This definition was not included in S. 1180 as originally drafted nor was it included the ADAMHA Reorganization Act (P.L. 102–321).

The committee expects States to apportion their PPG funds to provide for activities for their State-specific populations and, if appropriate, IDUs and crack-cocaine users to prevent the spread of HIV infection.

It is not the intent of the committee to mandate how States implement such priority, to impose set-asides, or to impose a minimum allocation. The intent of the committee in repealing this sec-

tion along with a number of other provisions and set-asides is to promote greater flexibility and discretion for States in the manner in which they administer their PPG funds.

Section 207. State opportunity to correct or mitigate failure to maintain effort

The committee remains concerned that States may redirect funds previously allocated for substance abuse treatment programs to meet other State priorities. The committee strongly discourages such a practice.

The intent of this provision is to allow States who are not in compliance with the maintenance-of-effort requirements, 1 year after being informed, to correct or mitigate the situation. If the Secretary determines that a State is not in compliance, the committee expects that any penalty will be first imposed to allowances that would not detract from the provision of substance abuse prevention and treatment services for the people most in need.

Section 208. Funding for organizations that are for-profit

The committee recognizes that, since 1981, for-profit entities have not been eligible for block grant or categorical funding authorized under this act. The intent of the committee in establishing certain ''safeguards is not to preclude for-profits from receiving block grant funds but to ensure that the quality and comprehensiveness of care is strengthened.

The committee believes that, in order to improve the quality and comprehensiveness of care, States may need to integrate further their public and private health systems. As such, it is the intent of the committee that this provision would provide flexibility for States to utilize the services of substance abuse treatment managed care programs. This will allow States to operate Medicaid and other managed substance abuse treatment programs to facilitate integration of substance abuse treatment services within each State to achieve standardization of care and cost reductions while continuing to ensure quality service. Further, for the first time, this provision would allow the Secretary to look at the relationship between the public and nonprofit entities and the private for-profit sector.

Section 210. Data collection, technical assistance, and evaluations

The committee recognizes the need for States to develop and strengthen their capacity for data collection in order to measure substance abuse prevention and treatment outcomes. The intent of the committee is to permit the Secretary to reserve up to 5 percent of the amount appropriated in any fiscal year for necessary data collection, technical assistance, and program evaluation. The committee encourages the Secretary in partnership with the States, Indian tribes, local governments, providers, consumers, and families of consumers to develop data systems which are relevant, sufficient, and appropriate to measure State-specific and national outcomes.

Sections 211 and 213. Priority substance abuse treatment and prevention needs of regional and national significance and section 212 repeals

The committee recognizes that substance abuse treatment and prevention are integral parts of a continuum of care for substance abusers. The committee also acknowledges that substance abuse prevention and treatment are very different specialties that involve different skills, procedures, and populations served. The committee also recognizes these discrete disciplines each demand their own independent consolidated research, demonstration, and evaluation.

The intent of the committee is to consolidate programs by eliminating separate categorical funding. Approximately 13 separate categorical programs would be consolidated into a substance abuse prevention demonstration and training authority and a substance abuse treatment demonstration and training authority. This consolidation will streamline program operations and enhance flexibility to both States and the Federal Government. Further, the committee believes a targeted demonstration agenda will allow for the development of partnerships between the State, local, and Federal Government to identify and prioritize major issues facing the substance abuse prevention fields.

The intent of this provision is to provide the Secretary with flexibility to develop information and knowledge of immediate use to service providers and policy makers. The committee expects the Secretary in partnership with the State, local government, community representatives, Indian tribes, and tribal organizations to develop projects that will be helpful to the States based on information from these organizations.

The Secretary may make grants to and enter into contracts and cooperative agreements with States, political divisions of States, and private entities (including nonprofit, Indian tribes and tribal organizations) and may establish financial matching, maintenance-of-effort, and nonsupplantation requirements. Each project will be required to have a strong evaluation component and to compare outcomes against anticipated results. The committee expects that outcomes will be reported on an ongoing basis throughout projects and that results will be quickly disseminated to the States, local jurisdictions, providers, consumers, and families of consumers.

The committee believes the treatment authority will provide the Secretary with the opportunity to assess innovative systems of providing comprehensive, integrated services to priority populations such as pregnant substance abusers, crack-cocaine users, injecting drug users, the dually diagnosed, and others. It will permit the exploration of the provision of substance abuse services through managed care systems and the development of quality standards.

Further, the treatment provision allows the Secretary to develop and evaluate new technologies. It also provides authority for the Secretary to assess methods to train specialty and primary care personnel to meet the needs of the substance abuse service system. This authority would permit the Secretary to develop and evaluate public and consumer education programs.

The committee believes the prevention authority will provide the Secretary with the opportunity to assess innovative systems of providing comprehensive, integrated service for priority populations

such as high-risk youth, children of substance abusers, and others. It will permit the exploration of the provision of substance abuse prevention services through managed care system and the development of quality standards.

Several General Accounting Office reports have concluded that the Center for Substance Abuse Prevention (CSAP) is not using Federal funds for lobbying or excluding specific qualified grantees. However, the committee is concerned that the CSAP may have adopted an informal policy of funding only grantees which have not received funding from sources within the alcohol or tobacco industries. The committee directs CSAP to provide grants solely on the basis of merit.

Treatment preference for pregnant women

The committee recognizes a continuing need to place a Federal preference on the treatment of pregnant substance-abusing women. Because pregnant substance-abusing women require unique services, such as prenatal care and child care in conjunction with drug treatment and because both the life and health of the pregnant woman and her child are threatened, the committee has maintained the requirement for States to ensure that pregnant substance-abusing women are given preference in admission to substance abuse treatment facilities.

The committee defines "preference" to mean that States would place pregnant substance-abusing women above all other State-specific populations in admissions to substance abuse treatment facilities. This definition was not included in S. 1180 as originally drafted nor was it included in the ADAMHA Reorganization Act (P.L. 102–321).

It is not the intent of the committee to mandate how States implement such preference, to impose set-asides, or to impose a minimum allocation. The intent of the committee in maintaining section 1927 of P.L. 102–321 is to maintain a national focus on the impact of maternal drug use on infants and children and the preferential availability of substance abuse treatment for women.

Formula grants to States

The ADAMHA Reorganization Act of 1992 revised the formula by which the Federal Government allocates funds to the States for the provision of substance abuse treatment and prevention and mental health services. Many of these changes were the subject of debate in the Senate. There are many issues regarding the formula, but the major issue concerning the formula is one of equity.

The ADAMHA Reorganization Act authorized a study to review the "validity and relevance" of factors currently included in the Substance Abuse Prevention and Treatment and the Community Mental Health Block Grant formula in order to assess the appropriateness of these factors and to identify additional factors that Congress may wish to consider to attain greater equity among the States. The RAND Corporation was awarded a contract by the Substance Abuse and Mental Health Services Administration to examine the current factors of the formula in an attempt to resolve this issue. Because this report is not yet available, this legislation maintains the current formula.

Further, the committee is aware of the Secretary's decision to make refinements in the methodology of the "data proxy for labor" of the "cost of services index" in the Substance Abuse Prevention and Treatment and Community Mental Health Services Block Grant formulae.

The committee recognizes the discretion the current legislation grants the Secretary to make such refinements, in consultation with appropriate personnel. However, the legislation also requires the Secretary to publish this change in the Federal Register. The committee expects the Secretary to publish this change in the Federal Register immediately.

TITLE III: GENERAL PROVISIONS

Section 302. Additional requirements

States are given greater flexibility and discretion in conducting a review of their treatment programs. States may use existing State accreditation and certification standards to assess the quality, appropriateness, and efficacy of federally funded treatment programs. The committee recognizes that a significant number of States which support prevention programs and some mental health programs do not have accreditation and certification standards in place. The committee strongly encourages these States to establish these procedures to carry out this provision.

Section 303. On-site performance reviews

The committee included a provision to replace the current requirement for annual investigations by the Secretary of expenditures in at least 10 States with a requirement that the Secretary perform on-site performance reviews in each State every 3 to 5 years. The purpose of this provision is to ensure that States are not subject to burdensome requirements and to streamline Federal management.

Section 304. Additional year for obligation by States

The committee included this provision to provide States with greater flexibility to obligate and spend their PPG allotments within 2 years and to replace the current requirements of 1 year to obligate funds and 1 year for direct spending.

Section 309. Advisory councils

The committee amended current advisory council membership requirements to include leading representatives from State and local governments to ensure that all interested parties have an opportunity to participate effectively in the functions and activities of the advisory council.

TITLE IV: REAUTHORIZATION OF PROTECTION AND ADVOCACY

Title IV includes several amendments. The committee has amended the title of the Protection and Advocacy For Mentally Ill Individuals Act of 1986 to the Protection and Advocacy for Individuals with Mental Illnesses Act. The program is reauthorized through fiscal year 1999.

The committee has amended the minimum allotment formula in Section 112 of Public Law 99–319 to match the change in the Developmental Disabilities Act. The recommended language is consistent with the change made to the formula of the Protection and Advocacy Systems authorized in the Developmental Disabilities Act. The committee recognizes that this amendment would prevent the loss of already limited funding to States and territories in providing the vital investigative and protective services for individuals who may have suffered abuses while undergoing care or treatment in mental health facilities.

The intent of the committee in amending this legislation is to change the current statute to require the State minimum of $260 thousand to be reduced to $140 thousand. The minimum allotment would be based in any fiscal year on the percentage increase/decrease over the fiscal year 1995 appropriation. The amended formula prescribes a minimum allotment for States as being $260 thousand and for the Pacific Islands and Territories, $139,300.

TITLE V: REAUTHORIZATION OF CERTAIN INSTITUTES

Title V extends the authorities for the National Institute of Alcohol Abuse and Alcoholism (NIAAA), the National Institute on Drug Abuse (NIDA), the National Institute of Mental Health (NIMH), and the medication development program through fiscal year 1996. The intent of the committee is to reauthorize each of the institutes and programs for only 1 year in order to correspond with the reauthorization of the entire National Institutes of Health.

TITLE VI: TRANSITION PROVISIONS AND EFFECTIVE DATES

Title VI is intended to provide substantial leeway to States and the Secretary of Health and Human Services in developing and implementing a process to develop the PPGs. In carrying out this new authority, the committee expects the Secretary to establish an advisory process. The Secretary in partnership with the States, local governments, Indian Tribes, substance abuse and mental health providers, consumers and their families, researchers, and all other individuals who have technical expertise will be included in the advisory process to develop the model set of mental health and substance abuse prevention and treatment objectives and performance measures. Further, these partnerships will be consulted in determining and establishing relevant, sufficient, and available data systems.

In addition, this provision provides the Secretary with the flexibility to award a contract to an independent entity to conduct a technical review panel to determine the availability, relevancy, and sufficiency of data sets currently existing to measure the model set of mental health and substance abuse prevention and treatment objectives. The committee expects the Secretary to take into account all available information during this analysis. The committee emphasizes the importance of partnerships in developing the model set of objectives and data systems.

The committee recognizes the complexity of implementing new approaches and does not intend for the Performance Partnerships negotiation process to be burdensome. The committee has included a minimum 2-year transition period before States are required to

negotiate the Performance Partnership Grants. Also, this provision provides flexibility for those States that would like to negotiate their PPGs sooner.

To provide States with even greater flexibility in establishing State-specific objectives, set-asides requiring States to spend at least 35 percent of their allocation for activities related to alcohol and 35 percent for drug activities are repealed upon enactment of the legislation. Also, States would be required to follow current law for other set-asides until all mandates and set-asides are repealed when the Performance Partnership Grants (PPGs) begin in fiscal year 1998.

However, separate provisions relating to a substance abuse treatment preference for women, priority admission for injecting drug users and others who are at greatest risk for HIV infection, tobacco regulations, and the 20 percent set-aside for substance abuse prevention would be maintained.

Repealed mandates and set-asides include requirements relating to:

A minimum allocation of funds for services to pregnant women and women with dependent children.

Timely access to treatment for injecting drug users.

Provision of tuberculosis and HIV early intervention services.

Submission of an annual statewide assessment of needs.

Establishment of State revolving loans for group homes for recovering substance abusers.

Because the PPGs are designed to ensure accountability through State-selected objectives and data-driven decision making, these provisions will no longer be needed to assure accountability when the PPGs are implemented.

V. COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 7, 1995.

Hon. NANCY LANDON KASSEBAUM,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR MADAM CHAIRMAN: The Congressional Budget Office has reviewed S. 1180, the SAMHSA Reauthorization, Flexibility Enhancement and Consolidation Act of 1995, as ordered reported by the Senate Committee on Labor and Human Resources on October 12, 1995.

Enactment of S. 1180 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Anne Hunt and Marc Nicole.

Sincerely,

JUNE E. O'NEILL, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1180.

2. Bill title: SAMHSA Reauthorization, Flexibility Enhancement and Consolidation Act of 1995.

3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on October 12, 1995.

4. Bill purpose: S. 1180 would reauthorize select programs of the Substance Abuse and Mental Health Services Administration (SAMHSA), and would consolidate the agency's multiple demonstration and training programs into three programs. The proposal would also replace SAMHSA's Mental Health and Substance Abuse Block Grants with Mental Health and Substance Abuse Performance Partnerships. Finally, the bill would reauthorize three institutes within the National Institutes of Health: the National Institute of Alcohol Abuse and Alcoholism (NIAAA), the National Institute on Drug Abuse (NIDA) and the National Institute of Mental Health (NIMH).

5. Estimated cost to the Federal Government: The table below summarizes the budgetary impact of the legislation under two different sets of assumptions. The first set of assumptions adjusts the estimated amounts for discretionary inflation after fiscal year 1996; the second set of assumptions does not account for projected inflation. Most of the spending that would occur under S. 1180 would be subject to the availability of appropriated funds. For the purposes of this estimate, CBO assumes that all funds authorized by the bill for the 1996–1999 period will be appropriated. For 1996, the additional costs represent funding above the levels provided in the continuing resolution through December 15, 1995.

Estimated outlays summarized below are based on historical spending patterns of existing programs administered by SAMHSA, NIAAA, NIDA, and NIMH.

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998	1999	2000
With Discretionary Inflation						
Spending Under Current Law:						
Budget authority	3,162	911	370	383	396	411
Estimated outlays	3,140	2,124	1,118	484	386	400
Change in Spending Resulting from the Proposal:						
Budget authority	.....	2,402	1,853	1,917	1,981	−411
Estimated outlays	.....	1,134	1,722	1,979	1,932	952
Spending Under Proposal:						
Budget authority	.....	3,313	2,223	2,300	2,377	0
Estimated outlays	.....	3,258	2,840	2,463	2,318	1,352
Without Discretionary Inflation						
Spending Under Current Law:						
Budget authority	3,162	900	346	346	346	346
Estimated outlays	3,140	2,119	1,103	457	346	346
Change in Spending Resulting from the Proposal:						
Budget authority	.....	2,376	1,805	1,806	1,806	−346
Estimated outlays	.....	1,123	1,691	1,908	1,805	891
Spending Under Proposal:						
Budget authority	.....	3,275	2,151	2,152	2,152	0
Estimated outlays	.....	3,242	2,795	2,365	2,152	1,237

The cost of this bill falls within budget function 550.

6. Basis of the estimate: *Mental Health Performance Partnerships.* S. 1180 would replace SAMHSA's state Mental Health Block Grant with a Mental Health Performance Partnership program. The proposal would authorize $280 million for this program in 1996 and such sums as necessary through 1999. Accounting for discretionary inflation, this program would cost $310 million in 1999. The Secretary must reserve 5 percent of the funds appropriated in a fiscal year for data collection, program evaluation and the provision of technical assistance to the States.

The Performance Partnership program is intended to facilitate access to comprehensive community mental health services and to foster the development of networks of integrated comprehensive community-based mental health services. States could enter into performance partnerships with the Secretary of Health and Human Services. The Secretary, in conjunction with these States and other groups, would develop objectives to help States and grant recipients fulfill specific programmatic goals. States applying for Mental Health Performance Partnership grants must submit a proposal to the Secretary that addresses one or more of these objectives.

S. 1180 would also change the penalty imposed on a State that does not maintain "material compliance" with its performance partnership. Under current law, the Secretary reduces the amount allocated to a noncompliant state by the amount of its material failure for the previous fiscal year. Under the proposal, the Secretary could give a noncompliant State one year in which to correct or mitigate its noncompliance. If the State failed to correct or mitigate the situation within 1 year, the Secretary could reduce the State's grant by an amount equal to its material failure.

Additionally, the bill would prohibit States from using more than 10 percent of their mental health grants funds for carrying out substance abuse programs.

Priority Mental Health Needs of Regional and National Significance. The proposal would merge SAMHSA's current mental health demonstration and training programs into a single program—the Priority Mental Health Needs of Regional and National Significance program. S. 1180 would authorize $50 million for the program in 1996 and 1997, $30 million in 1998, and such sums as necessary in 1999. Accounting for discretionary inflation, $31 million would be authorized in 1999. States could apply to the program for grants to provide training; prevention, treatment and rehabilitation demonstration programs; and evaluations of these demonstration programs.

PATH Program. The Projects for Assistance in Transition from Homelessness (PATH) program would be reauthorized through 1999. The proposed legislation would authorize $29 million in 1996 and $50 million in 1999. In reauthorizing the PATH program, the bill would eliminate funding for the Access to Community Care and Effective Services and Supports (ACCESS) program.

Comprehensive Community Services for Children. S. 1180 would reauthorize the Comprehensive Community Services for Children with a Serious Emotional Disturbance program through 1999. The bill would authorize $60 million for the program in 1996 and such sums as necessary for 1997 through 1999. Accounting for discre-

tionary inflation, this amount would increase to $66 million by 1999.

Substance Abuse Performance Partnerships. S. 1180 would replace the Substance Abuse and Treatment Block Grant and the Capacity Expansion Program with a Substance Abuse Performance Partnership program. The bill would authorize $1.3 billion for 1996 and such sums as necessary for 1997 through 1999. Allowing for inflation, 1999 authorizations would total $1.4 billion. Of the funds appropriated each fiscal year, the Secretary must reserve five percent for the purpose of data collection and the provision of technical assistance to the states.

Under this program, the Secretary would work with the States and other groups to develop a list of programmatic objectives, with the goal of reducing the prevalence of substance abuse and improving community access to preventive and treatment services. States applying for grants under this provision would be required to submit plans addressing one or more of these performance partnership objectives. S. 1180 would retain the current method for determining the amount of States' funding allocations, although it would repeal the current minimum grant amounts.

This provision would repeal or amend some of the specific set-asides and allocations required under current law, while retaining others. For example, S. 1180 would repeal current set-asides for funding services to pregnant women and tuberculosis services for individuals receiving substance abuse treatment.

Priority Substance Abuse Treatment Needs of Significance. S. 1180 would replace SAMHSA's substance abuse treatment demonstration and training programs with a single program—the Priority Substance Abuse Treatment Needs of Regional and National Significance program. The proposal would authorize $195 million for this program in 1996 and such sums as necessary through 1999. Accounting for inflation, 1999 authorizations would be $216 million. The bill would also require that the Secretary create education and information programs to publicly disseminate the findings of the demonstration programs funded under this provision.

Priority Substance Abuse Prevention Needs of Significance. The bill would similarly consolidate SAMHSA's substance abuse prevention demonstration and training programs into the Priority Substance Abuse Prevention Needs of Regional and National Significance program. This program would have essentially the same features and requirements as the program discussed above. This program would be authorized at $215 million for 1996 and such sums as necessary through 1999. Accounting for discretionary inflation, 1999 authorizations would be $238 million.

Finally, S. 1180 would prohibit States from using more than 10 percent of their substance abuse grant funds for carrying out mental health programs.

Protection and Advocacy. S. 1180 would reauthorize the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (Public Law 99–319) at such sums as necessary for 1996 through 1999. Adjusting 1995 appropriations for inflation, CBO estimates that $23 million would be authorized in 1996 and $25 million in 1999. This provision would also revise the formula currently used to determine

the minimum grant amounts to be allocated to the States and territories.

Reauthorization of NIAAA, NIDA and NIMH. S. 1180 would reauthorize three institutes within the National Institutes of Health through 1996. NIAAA would be reauthorized at $181 million, while NIMH would be reauthorized at $588 million. The bill would authorize $292 million for NIDA and $101 million for the institute's Medication Development Program.

7. Pay-as-you-go considerations: None.

8. Estimated cost to State and local governments: S. 1180 would consolidate and reauthorize various SAMHSA programs. These programs, which are all voluntary, provide grants to State governments and other nonprofit entities. The primary effect of these changes would be to provide States with additional flexibility in using grant funds. The authorized funding levels for fiscal year 1996 would be roughly equivalent to the fiscal year 1995 appropriations.

In particular, the bill would replace the Substance Abuse and Mental Health Block Grant programs with Performance Partnership programs. The bill would also provide States with flexibility in allocating these funds and an additional year to obligate them. In addition, the bill would consolidate more than a dozen training, treatment, and prevention programs that address mental health and substance abuse needs into three programs. Finally, the bill would reauthorize a number of other mental health and substance abuse programs and three institutes within NIH that address these problems.

9. Estimate comparison: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Anne Hunt and Marc Nicole.

12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

VI. Regulatory Impact Statement

The committee has determined that there will be no increase in the regulatory burden of paperwork as the result of this bill.

VII. Section-by-Section Analysis

Section 1 of the bill cites the short title of the act, provides that references in the bill are to the Public Health Service (PHS) Act, and provides a table of contents for the bill.

TITLE I—MENTAL HEALTH

Section 101(a) of the bill repeals Sections 1911, 1912, and 1913 of the PHS Act referring to Formula Grants to States for Mental Health Services, State Plan for Comprehensive Community Mental Health Services, and Certain Agreements, respectively.

Section 101(b) inserts new Sections 1911, 1912, and 1913 of the PHS Act. The new section 1911(a) describes the goal of the Performance Partnership authorized in this bill—for the States and the Federal Government, working together, to improve the overall mental health of U.S. citizens and the quality of life of adults with serious illness and children with serious emotional disturbance, by

promoting access to comprehensive community mental services for these populations; and to increase the development of systems of integrated comprehensive community-based services for such individuals.

Systems of integrated comprehensive community-based services are defined to mean "integrated systems of care that would enable children and adults to receive care appropriate for their multiple needs." With respect to children, such integrated systems of care would ensure the provision, in a collaborative manner, of mental health, substance abuse, education and special education, juvenile justice, and child welfare services. For adults, such integrated systems would ensure the provision, in a collaborative manner, of mental health, vocational rehabilitation, housing, criminal justice, health, and substance abuse services.

The new section 1911(b) directs the Secretary, no earlier than October 1, 1997, in consultation with the States, local governments, Indian tribes, health care providers, consumers, and families, to establish, and as necessary periodically revise, a list of Performance Partnership objectives and a core set of not more than 5 such objectives that address mental health problems of national significance. Each such objective shall include a qualitative or quantitative performance indicator; the specific population being addressed; a performance target; and a date by which the target level is to be achieved.

In establishing objectives, the Secretary shall be guided by the following principles: (A) the objectives should be closely related to the goals of this subpart and be viewed as important by and understandable to the State policy makers and the general public; (B) the actions taken under a partnership agreement should be expected to have an impact on the objective; (C) the objectives should be results-oriented, including a suitable mix of outcome, process, and capacity measures; (D) in the case of an objective that has suitable outcome measures, measurable progress in achieving the objective should be expected over the period of the grant; (E) in the case of an objective that has suitable process or capacity measures, such objective should be demonstrably linked to the achievement of, or demonstrate the potential to achieve, a mental health outcome; and (F) data to track the objective should, to the extent practicable, be comparable for all grant recipients, meet reasonable statistical standards for quality, and be available in a timely fashion, at appropriate periodicity, and at reasonable cost.

The new Section 1912 of the PHS Act as authorized by the bill requires a State, in order to be eligible for a grant, to prepare and submit a Performance Partnership proposal that would appropriately address the most significant mental health problems (as measured by applicable indicators) within the State. Such a proposal would contain: (1) a list of one or more objectives (derived from the objectives under section 1911(b)), including at least one objective in the children's area, toward which the State will work and a performance target for each objective which the State will seek to achieve by the end of the partnership period; (2) a rationale for the State's selection of objectives, including any performance targets, and time frames; (3) a statement of the State's strategies for achieving the objectives over the course of the grant period and

evidence that the actions taken under a partnership agreement will have an impact on the objective; (4) a statement of the amount to be expended to carry out the strategy; and (5) an assurance that the State will report annually on all core performance objectives established under section 1911(b) and the specific objectives toward which the State will work under the Performance Partnership. A State may select an objective that is not an established objective under section 1911 if it demonstrates to the Secretary that the objective relates to a significant mental health problem in the State that would not otherwise be appropriately addressed. The Secretary may require that objectives and requirements be developed by the State in a manner consistent with requirements of section 1911(b).

The new section 1912(c) allows the State to select objectives which have only process or capacity measures until the Secretary determines that data sets are readily available, sufficient, and relevant to make outcome measures for objectives developed by the Secretary.

The new section 1913(a) deals with negotiations concerning State Performance Partnership proposals. It requires the State and the Secretary to make all reasonable efforts to agree on a Performance Partnership under which the State expends grant amounts. It requires the Secretary to consider the extent to which the proposed objectives, performance targets, time frames, and strategies of the State are likely to address the most significant mental health problems (as measured by applicable quantitative or qualitative indicators) within the State.

Subsection (b) of the new section 1913 requires the Secretary, in consultation with the State, to set the duration of the partnership with the State. Initial and subsequent partnership periods shall not be less than 3 nor more than 5 years, except that the Secretary may agree to a partnership of less than 3 years where a State demonstrates that a shorter period is appropriate in light of the State's particular circumstances.

Subsection (c) requires the Secretary to assess annually the progress achieved nationally toward each of the core objectives established under section 1911 and the progress of each State toward each objective agreed upon in the Performance Partnership, and make such assessment publicly available. The Secretary and State may at any time renegotiate and revise, by mutual agreement, the elements of the partnership to account for new information or changed circumstances.

Section 1913(d) directs the Secretary to award a grant under the allotment formula under section 1918 to each State that has reached a Performance Partnership agreement with the Secretary and is carrying out activities in accordance with the terms of the partnership. Such funds may be used by the State only for carrying out the Performance Partnership (including related data collection, evaluation, planning, administration, and educational activities).

Section 101(c) of the bill amends Section 1917 of the PHS Act to require that a State proposal include the additional elements in order to be in accordance with the partnership agreement.

Section 101(d) of the bill amends Section 1919 of the PHS Act to add definitions of the term performance indicator to mean a quan-

tifiable characteristic used as a measurement and the term performance target to mean a numerical value sought to be achieved within a specified period of time.

Section 101(e) substitutes ''Performance Partnership'' for ''block'' and for ''plan'' in sections of title XIX and makes other conforming amendments.

Section 101(f) makes conforming amendments to Title V of the PHS Act eliminating the requirement that the Director of the Center for Mental Health Services administer the mental health services block grant program.

Section 102 of the bill amends Section 1915(a)(1) of the PHS Act, regarding review of the State plan by the State Mental Health Planning Council, to include reference to a report required under Section 1942 of the PHS Act.

Section 103 of the bill amends Section 1915(b) of the PHS Act to provide a State with the opportunity to correct or mitigate its failure to meet existing requirements regarding maintenance of effort regarding State expenditures for mental health.

Section 104 of the bill amends Section 1916(a)(5) of the PHS Act prohibiting use of Federal grant funds for organizations that are for-profit to permit funding of such organizations if the State determines that, because of special circumstances existing within the State (including the operation of the State medicaid program or mental health managed care programs under Title XIX of the Social Security Act), it is appropriate and beneficial for a for-profit private entity to receive assistance.

Section 105 of the bill amends Section 1920(a) of the Act to authorize appropriations of $280 million for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997 through 1999 for this subpart.

Section 106(a) of the bill amends Section 1920(b) of the PHS Act to require the Secretary to reserve 5 percent of the appropriation for a fiscal year to carry out data collection, as authorized under Section 505 of the act as amended, and technical assistance to States, as authorized under Section 1948(a) of the PHS Act as amended, and to carry out evaluations concerning programs supported under this subpart. The Secretary may carry out these activities directly, or through grants, contracts, or cooperative agreements.

Section 106(b) amends Section 505(a) of the PHS Act to include the collection of data on ''other factors as needed to carry out part B of title XIX'' in the data collection activities authorized under the section. Such activities may be carried out directly, or through grants, contracts, or cooperative agreements.

Section 106(c) amends Section 1948(a) of the PHS Act to allow the Secretary to provide technical assistance through cooperative agreements. Such assistance may also be provided directly or through grants or contracts, as currently authorized.

Section 107(a) of the bill amends the section for Projects for Assistance in Transition From Homelessness (PATH) program for homeless individuals with mental illness to authorize appropriations of $29 million for each of the fiscal years 1996 and 1997 and $50 million for each of the fiscal years 1998 and 1999.

Section 107(b) repeals Section 506 and directs the Secretary not to allocate funds under the authority for the program known as the "Access to Community Care and Effective Services and Supports" (ACCESS) program.

Section 108 of the bill amends Section 520A of the PHS Act by replacing it with a program to provide support for priority mental health needs of regional and national significance. Under Section 520A, the Secretary would be required to address priority mental health needs of regional and national significance through the provision of training or demonstration projects for prevention, treatment, and rehabilitation and through the conduct or support of evaluations of such demonstration projects.

The Secretary would be authorized to make grants to or enter into cooperative agreements with States, political subdivisions of States, Indian Tribes and tribal organizations, and public or private nonprofit entities. Subsection (b) defines priority mental health needs to include child mental health services, and may include managed care, systems and partnerships, client-oriented and consumer-run self-help services, training, and other priority populations and conditions determined appropriate by the Secretary.

Subsection (c) of Section 108 requires recipients of assistance under this section to comply with information and applications requirements determined appropriate by the Secretary. Assistance to a recipient under this section may not exceed 5 years, with the provision that payment is subject to annual approval by the Secretary and the availability of appropriations. This provision does not limit the number of awards under the program that may be made to an entity.

The Secretary may require that an entity applying for a grant, contract, or cooperative agreement provide non-Federal matching funds, as determined appropriate, to ensure the institutional commitment of the entity to the projects funded. Such matching funds may be provided directly or through donations from public or private entities and may be in cash or in-kind, fairly evaluated, including plant, equipment, or services. The recipient shall agree to maintenance-of-effort requirements.

The application for a grant, contract, or cooperative agreement under this section shall ensure that amounts received will not be spent to provide inpatient services; to make cash payments to intended recipients of services; to purchase or improve land, building or other facility, or purchase major medical equipment; or to satisfy any requirement for expenditure of non-Federal funds as a condition for the receipt of Federal funds. A funding agreement for a grant, contract, or cooperative agreement under this section will provide that the entity will not spend more than 10 percent of the amount for administrative expenses.

Section 108(d) provides that the Secretary, at the request of a State or political subdivision or of a public or private nonprofit entity, may reduce the amount of payments under this section by the fair market value of any supplies or equipment furnished to the State or political subdivision or public or private nonprofit entity; and the amount of the expenses of any officer, fellow, or employee of the government when detailed to the State or political subdivision, or public or private nonprofit entity, and the amount of any

other costs incurred in connection with such detail, when the detail is for the convenience and at the request of the State or political subdivision or public or private nonprofit entity and is for the purpose of conducting activities described in this section.

Section 108(e) requires the Secretary to evaluate each project carried out and to disseminate the findings for each such evaluation to appropriate public and private entities.

Section 108(f) would require the Secretary to establish information and education programs to disseminate the findings of research, demonstrations, and training programs under this section to the general public and to health professionals. The Secretary shall take necessary action to ensure that all methods of dissemination and exchange of information are maintained between SAMHSA and the public and between SAMHSA and other scientific organizations, both nationally and internationally.

Section 108(g) authorizes appropriations of $50 million for each of the fiscal years 1996 and 1997, $30 million for fiscal year 1998, and such sums as may be necessary for fiscal year 1999.

Section 109 of the bill repeals the following provisions of the PHS Act: section 303, relating to clinical training and AIDS training; section 520A, relating to community support programs and homeless demonstrations; section 520B, relating to AIDS demonstrations; and section 612 of the Stewart B. McKinney Homeless Assistance Act.

Section 110(a) of the bill authorizes appropriations for section 565(f)(1), Comprehensive Community Services for Children with a Serious Emotional Disturbance, of $60 million for fiscal year 1996; and such sums as may be necessary for each of the 3 succeeding fiscal years. Section 110(b) authorizes the Secretary to waive one or more of the requirements for a system of care for a public entity that is an Indian Tribe or tribal organization, or for American Samoa, Guam, the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, or the U.S. Virgin Islands, if the Secretary determines, after peer review, that the system of care is family-centered and uses the least restrictive environment that is clinically appropriate.

TITLE II—SUBSTANCE ABUSE

Section 201(a) of the bill repeals the current Section 1921 of the PHS Act, which authorizes formula grants to the States for the prevention and treatment of substance abuse. Section 201(b) amends subpart II of part B of title XIX by inserting the new sections 1921, 1921A, and 1921B.

The new section 1921(a) states the goals of this subpart for the States and the Federal Government, working together in a partnership are to: (a) reduce the incidence and prevalence of substance abuse and dependence; (b) improve access to appropriate prevention and treatment programs for targeted populations; (c) enhance the effectiveness of substance abuse prevention and treatment programs; and (d) reduce the personal and community risks for substance abuse.

Subsection (b) of the new section 1921 directs the Secretary, no earlier than October 1, 1997, in consultation with the States, local

governments, Indian tribes, providers, and consumers, to establish, and as necessary periodically revise, a list of Performance Partnership objectives; a core set of not more than 5 such objectives that address substance abuse problems of national significance; and a list of proxy objectives that are consistent with the intent of the requirements of the bill and, at the option of the State, can be implemented in place of requirements provided in the bill. Each such objective shall include a performance indicator; the specific population being addressed; a performance target; and a date by which the target level is to be achieved.

In establishing objectives for the Performance Partnership, the Secretary shall be guided by certain principles: (a) the objectives should be closely related to the goals of this subpart and be viewed as important by and understandable to State policy makers and the general public; (b) the objectives should be results-oriented, including a suitable mix of outcome, process and capacity measures; (c) in the case of an objective that has suitable outcome measures, measurable progress in achieving the objective should be expected over the period of the grant; (d) in the case of an objective that has suitable process or capacity measures, such objective should be demonstrably linked to the achievement of, or demonstrate a potential to achieve, a substance abuse treatment outcome; and (e) data to track the objective should, to the extent practicable, be comparable for all grant recipients, meet reasonable statistical standards for quality, and be available in a timely fashion, at appropriate periodicity, and at reasonable cost.

Section 1921A of the PHS Act as authorized by the bill requires a State, to be eligible for a grant, to prepare and submit a Performance Partnership proposal in accordance with the provisions of the bill. Such a State proposal would be required to appropriately address the most significant health problems associated with substance abuse within the State and contain: (1) a list of one or more objectives (derived from the objectives under section 1921(b)) toward which the State will work and a performance target for each objective which the State will seek to achieve by the end of the partnership period; (2) a rationale for the State's selection of objectives, including any performance targets, and time frames; (3) a statement of the State's strategies for achieving the objectives over the course of the grant period and evidence that the actions taken under a partnership agreement will have an impact on the objective; (4) a statement of the amount to be expended to carry out the strategy; and (5) an assurance that the State will report annually on all core performance objectives established under section 1921(b), regardless of whether it is working toward those objectives, and the specific objectives toward which the State will work under the Performance Partnership. A State may select an objective that is not an established objective under section 1921 if the objective relates to a significant health problem related to substance abuse in the State that would not otherwise be appropriately addressed. The Secretary may require that objectives and requirements be developed by the State in a manner consistent with requirements of section 1921(b). A State may select objectives which solely have process or capacity measures until such time as data sets are determined by the Secretary to be readily available,

sufficient, and relevant under section 601(a) of the bill to make outcome measurements for objectives developed by the Secretary.

Section 1921B of the PHS Act as authorized by the bill requires the Secretary, upon determining that the State meets the requirements, to approve the State proposal for a Performance Partnership under which the State is required to expend amounts received under a grant provided for substance abuse prevention and treatment.

Subsection (b) of the new section 1921B requires the Secretary, in consultation with the State, to set the duration of the partnership with the State. Initial and subsequent partnership periods shall not be less than 3 nor more than 5 years, except that the Secretary may agree to a partnership of less than 3 years where a State demonstrates that a shorter period is appropriate in light of the State's particular circumstances.

Subsection (c) requires the Secretary to assess annually the progress achieved nationally toward each of the core objectives established under section 1921 and the progress of each State toward each objective agreed upon in the Performance Partnership, and make such assessment publicly available. The Secretary and State may at any time renegotiate and revise by mutual agreement the elements of the partnership to incorporate for new information or changed circumstances.

Section 1921B(d) directs the Secretary to award a grant under the allotment formula under section 1933 to each State that has reached a Performance Partnership agreement with the Secretary and is carrying out activities in accordance with the terms of the partnership. Such funds may be used by the State only for carrying out the Performance Partnership (including related data collection, evaluation, planning, administration, and educational activities).

Section 201(c) of the bill amends Section 1932 of the PHS Act to include additional general provisions concerning partnerships.

Section 201(d) of the bill amends Section 1934 of the PHS Act to add definitions of the term performance indicator to mean a quantifiable characteristic used as a measurement and the term performance target to mean a numerical value sought to be achieved within a specified period of time.

Section 201(e) of the bill substitutes "Performance Partnership" for "block" and for "plan" in sections of title XIX and makes other conforming amendments.

Section 202 of the bill amends Section 1922 of the PHS Act to strike the current requirement under the substance abuse block grant that each State spend at least 35 percent of its allocation for activities regarding alcohol and 35 percent for activities regarding other drugs. It also amends the current provision requiring States to spend a certain amount of their allocations for programs and services to pregnant women and women with dependent children to require that States in fiscal year 1996 spend no less than the amount spent in fiscal year 1995 on such programs and services. In the event of a reduction in appropriations for this subpart, the Secretary is directed to permit a State to prorate its funding for such services based on the amount provided to the State under the block grant in fiscal year 1995.

Section 203(a) of the bill amends Section 1924(a) of the PHS Act to alter the current block grant requirement that any entity receiving funds under the block grant for operating a substance abuse treatment program must provide counseling, testing, and treatment services for tuberculosis to each individual receiving treatment for substance abuse. Under the amendment, a treatment program would be required to provide tuberculosis testing and counseling services. Testing, as included in this provision, would be based on the tuberculosis risk assessment conducted by the State, to determine whether the individual has contracted the disease, with such testing to be based on usual standards as determined appropriate by the State medical director for substance abuse services in cooperation with State and local health agencies for tuberculosis or other relevant private nonprofit entities. Counseling, as included in this provision, is defined to mean the provision of information to individuals or communities about risk factors for tuberculosis and conducting tuberculosis risk assessments to determine if tuberculosis testing is required.

Section 203(b) amends Section 1924(b) of the PHS Act to amend the current block grant requirement regarding State provision of HIV Early Intervention services. It increases the current minimum threshold from 10 to 15 AIDS cases per 100,000 population for a State to be required to carry out HIV Early Intervention services among individuals undergoing treatment for substance abuse. It also requires that the testing be based on usual standards determined to be appropriate by the State health director in cooperation with State and local health agencies for HIV and other relevant private nonprofit entities.

Section 203(c) amends section 1924(c) to replace the term "agreements" with "partnerships."

Section 203(d) amends Section 1924 of the PHS Act by adding a new subsection (f) providing that amounts made available under this section may only be used as a payment of last resort for tuberculosis and may not be used for the medical evaluation and treatment of such diseases.

Section 204 of the bill amends Section 1925 of the PHS Act relating to the requirement in current law for each State to use at least $100 thousand of its block grant allocation for the establishment of a revolving fund for operation of group homes for recovering substance abusers. The bill amends this provision so that, for fiscal years 1996 through 1998, it would apply only to States that have established and are providing for the ongoing operation of such a revolving fund. A State that is not, as of the date of enactment, utilizing such a revolving fund would no longer be subject to the provision. Such a State may use amounts set aside under this section, or amounts remaining in the revolving fund, to provide other treatment services. Section 1925 shall be repealed effective September 30, 1998.

Section 205 of the bill amends Section 1926(c) of the PHS Act to amend the provisions related to reducing State grants for substance abuse for States found to be in noncompliance with laws prohibiting the sale of tobacco products to individuals under the age of 18. The bill would reduce the grant reductions by half from 10 percent to 5 percent in the first year; 20 percent to 10 percent

in the second year; 30 percent to 15 percent in the third year; and 40 percent to 20 percent in the fourth year.

Section 206 of the bill amends Section 1928 of the PHS Act, striking the requirement that the State will improve the process for referring individuals to treatment facilities and striking the provision authorizing the Secretary to provide States with a waiver for the additional requirements in the section.

The new Section 206(c) directs the State, no earlier than October 1, 1997, to ensure that priority admission will be given to injecting drug users and others at greatest risk for HIV infection.

Section 207 of the bill amends section 1930(c)(1) regarding maintenance-of-effort regarding State expenditures. The bill would provide that, if the Secretary determines that a State failed to maintain such compliance, the Secretary may permit the State, not later than 1 year after notification, to correct or mitigate the noncompliance. If the State did not carry out a correction or mitigation, the Secretary would reduce the amount of the grant under this subpart for the State for the current fiscal year by an amount equal to the amount constituting such failure.

Section 208 of the bill amends Section 1931(a) of the PHS Act prohibiting use of Federal grant funds for organizations that are for-profit to permit funding of such organizations if the State determines that, because of special circumstances existing within the State (including the operation of the State Medicaid program of mental health managed care programs under title XIX of the Social Security Act), it is appropriate and beneficial for a for-profit private entity to receive assistance. In addition, the State would be required to ensure that such an entity is certified or licensed by the State; all profits earned by such entity as a result of assistance provided under this subpart are redistributed by the entity for the provision of treatment or prevention services; and in the case of an entity that is a private for-profit entity, such entity is the only available provider of substance abuse treatment in the area served.

Section 209 of the bill amends Section 1935(a) of the Act to authorize appropriations of $1.3 billion for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997 through 1999 for this subpart.

Section 210 of the bill amends section 1935(b) to direct the Secretary to reserve 5 percent of the amounts appropriated for a fiscal year to carry out section 505 (providing for data collection) and section 1948(a) (providing for technical assistance to States) with respect to substance abuse; to carry out section 515(d) (providing for a performance substance abuse data base); and to conduct evaluations concerning programs under this subpart. The Secretary may carry out such activities directly, or through grants, contracts, or cooperative agreements. The Secretary would be required to make available grants and contracts to States for the development and strengthening of States' core capacity (including infrastructure) for data collection and evaluation. Of the amounts reserved for these purposes, 20 percent shall be used for activities related to prevention.

Section 211 of the bill amends section 510 to authorize the Secretary to address the substance abuse health needs of regional and national significance through the provision of training or dem-

onstration projects for treatment and to conduct or support evaluations of such demonstration projects. To carry out this section, the Secretary would be authorized to make grants to, or enter into cooperative agreements with, States, political subdivisions of States, Indian Tribes and tribal organization, and public or private nonprofit entities. Subsection (b) defines substance abuse health needs of regional and national significance to include prevention activities and may include managed care, systems and partnerships, client-oriented services, and other priority populations (including pregnant substance abusers, women with dependent children, crack cocaine and injecting drug users, and patients with dual disorders) and conditions as determined appropriate by the Secretary.

Subsection (c) of the new section 510 requires recipients of grants, cooperative agreements, and contracts under this section to comply with information and application requirements determined appropriate by the Secretary. Assistance to a recipient under this section may not exceed 5 years, with the provision of payments subject to annual approval by the Secretary and the availability of appropriations. This does not limit the number of awards under the program that may be made to an entity. The Secretary may require that an entity applying for a grant, contract, or cooperative agreement provide non-Federal matching funds, as determined appropriate, to ensure the institutional commitment of the entity to the projects funded. Such matching funds may be provided directly or through donations from public or private entities and may be in cash or in-kind, fairly evaluated, including plant, equipment, or services. The recipient shall agree to maintenance-of-effort requirements. The application for a grant, contract, or cooperative agreement under this section shall ensure that amounts received will not be spent to provide inpatient services; to make cash payments to intended recipients of services; to purchase or improve land, building or other facility, or purchase major medical equipment; or to satisfy any requirement for expenditure of non-Federal funds as a condition for the receipt of Federal funds. A funding agreement for a grant, contract, or cooperative agreement under this section will provide that the entity will not spend more than 10 percent of the amount for administrative expenses.

Section 510(d) provides that the Secretary, at the request of a State or political subdivision or a public or private nonprofit entity may reduce the amount of payments under this section by the fair market value of any supplies or equipment furnished to the State or political subdivision or public or private nonprofit entity; and the amount of the pay allowances and travel expenses of any officer, fellow, or employee of the Government when detailed to the State or political subdivision of the State, or public or private nonprofit entity, and the amount of any other costs incurred in connection with such detail; when the detail is for the convenience and at the request of the State or political subdivision or public or private nonprofit entity and for the purpose of conducting activities described in this section. The amount by which any payment is so reduced is required to be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or detailing the personnel on which the payment is based, and the

amount is required to be deemed to have been paid to the State or political subdivision, or public or private non-profit entity.

Section 510(e) requires the Secretary to evaluate each project carried out and to disseminate the findings for each such evaluation to appropriate public and private entities.

Section 510(f) directs the Secretary to establish information and education programs to disseminate the findings of research, demonstrations, and training programs under this section to the general public and to health professionals. The Secretary shall take necessary action to ensure that all methods of dissemination and exchange of information are maintained between SAMHSA and the public and between SAMHSA and other scientific organizations, both nationally and internationally.

Section 510(g) authorizes appropriations of $195 million for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997 through 1999 to carry out this section.

Section 212(a) of the bill repeals the following provisions of the PHS Act: section 508, relating to residential treatment programs for pregnant women; section 510, relating to demonstration projects of national significance; section 511, relating to substance abuse treatment in State and local criminal justice systems; section 512, relating to training in the provision of treatment services; paragraph (5) of section 515(b), relating to the activities of the Office of Substance Abuse Prevention; section 516, relating to community prevention programs; section 517, relating to high-risk youth and national capital area demonstrations; section 518, relating to employee assistance programs; section 571, relating to the National Capital Area Demonstration Program; section 1943, relating to peer review; and section 1971, relating to categorical grants to States.

Section 213 of the bill amends section 516 to authorize the Secretary to address the substance abuse health needs of regional and national significance through the provision of training or demonstration projects for prevention and to conduct or support evaluations of such demonstration projects. To carry out this section, the Secretary would be authorized to make grants to, or enter into cooperative agreements with, States, political subdivisions of States, Indian Tribes and tribal organization, and public or private nonprofit entities. Subsection (b) defines substance abuse prevention health needs of regional and national significance to include prevention activities and may include managed care, systems and partnerships, client-oriented services, and other priority populations (including youth, high-risk youth, and children of substance abusers) and conditions as determined appropriate by the Secretary.

TITLE III—GENERAL PROVISIONS

Section 301 of the bill amends Section 1942(a) of the PHS Act to require each State to submit an annual report and to include data concerning its performance in relation to the core set of partnership objectives.

Section 302 of the bill amends section 1943(a) to replace a current requirement for annual peer review by the Secretary in at least 5 percent of the entities providing services in the State with

a new requirement for reviews to be conducted by the State in accordance with the State's accreditation and certification standards not more frequently than once every 2 nor less frequently than once every year.

Section 303 of the bill amends section 1945(g)(1) to replace a current requirement for annual investigations by the Secretary in at least 10 States with a new requirement for on-site performance reviews in each State not more frequently than once every 3 years nor less frequently than once every 5 years.

Section 304 of the bill amends section 1952(a) to allow States an additional year in which to obligate grant funds.

Section 305 defines the term performance indicator to mean a quantifiable characteristic used as a measurement and performance target to mean a numerical value sought to be achieved within a specified period of time.

Section 306 repeals certain obsolete provisions concerning allocations in Section 1933 of the PHS Act.

Section 307 repeals certain obsolete addict referral provisions in part E of Title III of the PHS Act, Titles III and IV of the Narcotic Addict Rehabilitation Act of 1966, and Chapter 175 of Title 28 of the U.S. Code.

Section 308 of the bill amends Section 1949 of the PHS Act to direct the Secretary to promulgate regulations as necessary to carry out this part.

Section 309 amends section 502(b)(3)(A) to add that the Secretary, in selecting members for the Advisory Councils may consider including leading representatives from State and local governments.

Section 310 directs the Secretary, not later than January 1, 1999, to prepare and submit to the appropriate congressional committees a report containing: (1) information concerning the adequacy of outcome data sets to measure State performance with respect to amounts received by the State under the Performance Partnerships as authorized by this act; (2) information concerning the range and types of Performance Partnership objectives and measures utilized by the State; and (3) a plan, if determined feasible by the Secretary after considering information received under this authority, for the implementation of incentive-based Performance Partnership Grants that shall include a disclosure of public comments.

Section 311 of the bill amends subpart III of part B of title XIX by adding a new section prohibiting a State from using more than 10 percent of the annual amount paid to the State under subpart I or subpart II in a fiscal year to carry out activities authorized in subpart II using amounts from subpart I or activities in subpart I using amounts from subpart II. Any amount paid to the State under this part that is used to carry out such activities would be required to comply with requirements that apply to the funds provided directly under either subpart I or II to carry out the activities.

TITLE IV—REAUTHORIZATION OF PROTECTION AND ADVOCACY FOR MENTALLY ILL INDIVIDUALS ACT OF 1986

Section 401 of the bill amends the title of the Protection And Advocacy For Mentally Ill Individuals Act of 1986 to the Protection

and Advocacy For Individuals with Mental Illnesses Act, and section 402 of the bill extends its authorization through fiscal year 1999.

Section 403 of the bill amends section 112(a)(2) to provide for a minimum amount of the allotment of an eligible system of the product (rounded to the nearest $1 hundred) of the appropriate base amount specified in subparagraph (B) and the factor specified in subparagraph (C). Subparagraph (B) sets the appropriate base amount at $139,300 for American Samoa, Guam, the Marshall Islands, the Federated States of Micronesia, the Commonwealth of Northern Mariana Islands, the Republic of Palau, and the Virgin Islands; and $260 thousand for any other State. Subparagraph (C) specifies the factor as the ratio of the amount appropriated under section 117 for the fiscal year for which the allotment is being made to the amount appropriated under such section for fiscal year 1995. The bill also makes technical amendments to section 112(a) specifying the Trust Territory of the Pacific Islands as Marshall Islands, the Federated States of Micronesia, and the Republic of Palau; and strikes paragraph (3).

TITLE V—REAUTHORIZATION OF CERTAIN INSTITUTES

Section 501 of the bill extends the authorities for the National Institute of Alcohol Abuse and Alcoholism (NIAAA) (section 464H(d)(1) of the PHS Act); the National Institute on Drug Abuse (NIDA) (section 464L(d)(1)) and its medication development program (section 464P(e)), and provides appropriations of such sums as may be necessary for each of the fiscal years 1995 and 1996; and the National Institute of Mental Health (section 464R(f)(1)) through fiscal year 1996.

TITLE VI—TRANSITION PROVISIONS AND EFFECTIVE DATES

Section 601(a) requires the Secretary to develop and implement a process to: (a) establish a model set of mental health and substance abuse prevention and treatment objectives that meet the requirements of the Performance Partnership Grants; (b) determine the availability, relevancy, and sufficiency of data necessary to measure capacity, process, or outcomes with respect to such model set of objectives; and (c) establish a plan to improve the availability, relevancy, and sufficiency of data if the data sets that are being developed are determined to be inadequate. The Secretary would be required to consult with representatives from State and local governments, Indian Tribes, mental health and substance abuse service providers, consumers and families, researchers, and other individuals who have technical relevancy with respect to the development of such objectives and data strategies.

In implementing the process, the Secretary is authorized to award a contract to an independent entity for the conduct or a technical analysis of the availability, relevancy, and sufficiency of data sets existing on the date the contract is awarded; and for the development of a strategy if such existing data sets are determined to be insufficient to measure the model set of mental health and substance abuse prevention and treatment objectives developed by the Secretary.

Section 601(b) provides for a general effective date of the enactment of the act or October 1, 1995, whichever occurs later. Section 601(c) requires that the Performance Partnerships take effect on the date on which the Secretary determines that the model set of objectives and the data sets in subsection (a) have been developed and are sufficient and available to measure process, capacity, or outcomes but no earlier than October 1, 1997. In preparing for the implementation of the Performance Partnership Grants, the Secretary may consult with States and others, but the Secretary is prohibited from requiring a State to begin the negotiation process for the implementation of a Performance Partnership Grant prior to fiscal year 1998. The bill specifies that the effective date for the following sections will be as if enacted on October 1, 1994: 103 and 207, related to maintenance-of-effort; 104 and 208, related to for-profit eligibility; 203, related to tuberculosis and HIV; 204, related to group home revolving loan funds; and 303, related to the additional year for obligation.

The bill also repeals the following sections of the PHS Act: (a) subsection (b) of section 1922, related to minimum allocation of funds for services to pregnant women and women with dependent children; (b) section 1923, related to whether injecting drug users have timely access to treatment upon request; section 1924, dealing with requirements related to tuberculosis and HIV; and (d) section 1929, related to the needs assessments.

A project that receives support for fiscal years 1996, 1997, or 1998 under Section 506 or 520A of the PHS Act as amended by this act, and that previously received support under title V of the PHS Act for fiscal year 1995, shall be subject to requirements which the project was subject to for fiscal year 1995 unless the Secretary determines otherwise. The bill authorizes the Secretary to grant a State a waiver to permit such State to operate a Performance Partnership program prior to fiscal year 1998. Such programs would be required to operate under the requirements described in the amendment made by the bill and would be funded using amounts appropriated for the fiscal years involved under part B of title XIX of the PHS Act.

VIII. ADDITIONAL VIEWS OF SENATORS KENNEDY, PELL, DODD, SIMON, HARKIN, MIKULSKI, AND WELLSTONE

We voted to report this bill to the full Senate with a favorable recommendation despite reservations about several matters, including the structure of the substance abuse and mental health block grants reauthorized in the bill. We write separately to amplify those concerns.

I. RECENT HISTORY OF BLOCK GRANTS

Congress created the Substance Abuse and Mental Health Services Administration (SAMHSA) in 1992 as part of a comprehensive law reorganizing and improving the Federal Government's efforts to research, prevent and treat substance abuse and mental illness (Pub. L. 102–321). The 1992 law was the product of substantial bipartisan and bicameral deliberation over a period of many years, and we remain proud of the accomplishment it represents.

The centerpiece of the 1992 legislation was the transfer of three research institutes (the National Institutes of Mental Health, Drug Abuse and Alcoholism and Alcohol Abuse) from what has been the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) to the National Institutes of Health. At the same time, Congress reconstituted ADAMHA as SAMHSA, an agency dedicated to the proposition that the Federal Government must play a leading role in providing services for the prevention and treatment of mental illness and substance abuse. We are pleased that the current legislation does not challenge or undercut these structural decisions reached in 1992.

A second and equally important component of the 1992 Act was the transformation of the largely unaccountable Alcohol, Drug Abuse and Mental Health Services block grant that had been in existence since 1981 into separate mental health and substance abuse block grants. We split these block grants in order to better target Federal resources, and at the same time seized the opportunity to rewrite the rules governing the block grants. We sought to create a new model of Federal funding in which States played the leading role in administering Federal funds in a manner that reflected Federal priorities. We envisioned a true partnership between State and Federal Governments, one that represented an appropriate balance between the sometimes competing goals of flexibility and accountability.

In this respect as well, we are proud of the accomplishments of the 1992 legislation. We gave States considerable flexibility in choosing how to utilize their mental health and substance abuse block grants. At the same time, we provided meaningful accountability through the State plan mechanism. We also identified a small number of Federal priority populations—including pregnant substance abusing women, the homeless mentally ill, and sub-

stance abusers most at risk for HIV disease—and required States to demonstrate that they were using Federal funds to address the needs of these vulnerable populations.

Some of these Federal priorities were enforced through the use of "set-asides" or "mandates" within the block grants. These mechanisms have fallen into disrepute in the current Congress, and most will eventually be terminated under the current reauthorization bill if it becomes law. But they deserve a more respectful burial than they receive in the committee views section of this report.

Critics of mandates and set-asides assert that States know best how to serve their citizens. We do not in any way dispute the competence or good intentions of States. But that criticism ignores the fact that these block grants are composed of Federal funds. They derive from the taxes Congress collects from the citizens of all 50 States. It would be silly and inefficient for Congress to require citizens to send their money to Washington, only to then disburse the money to the Governor of each State for whatever purpose each Governor sees fit. (That would constitute "revenue sharing", a concept in even deeper disrepute these days than set-asides or mandates.) A citizen of Alaska should not have to pay for the salary of a drug treatment provider in Maine unless he or she does so as part of a carefully constructed system that advances the national interest. In short, Congress should use Federal tax money to further legitimate goals of the Federal Government.

What are legitimate Federal goals in the fields of substance abuse and mental health? Clearly the Federal Government should create model programs that can be replicated throughout the Nation. Federal funds should also be used to disseminate research findings that may improve the quality of treatment and prevention efforts in each State. The Federal Government can centralize and make uniform the collection of data. Finally, we believe that the Federal Government has an obligation to ensure that vulnerable, hard-to-reach populations are served by treatment and prevention programs financed by the Federal block grant.

The history of these programs demonstrates that set-asides and mandates are sometimes necessary to achieve these legitimate Federal goals. Again, this observation is not intended to denigrate States. It is simply a reality that any unit of government will be less vigilant to spend money for which it is not directly accountable with respect to goals that it may not consider its own. States must, as a matter of good government, be held accountable for Federal funds and Federal goals.

We continue to believe that the 1992 block grant requirements represent a reasonable and responsible means of achieving accountability. Contrary to popular opinion, not all set-asides and mandates are overly burdensome, and we specifically believe that those in the 1992 law are reasonable and easy to meet. Nor are they "unfunded mandates." To the contrary, the SAMHSA block grants provided over $1.5 billion to States in fiscal year 1995; States are in no way "unfunded" when they are asked to provide services to vulnerable populations, or to undertake various planning activities to determine the most effective way to use limited resources.

In light of the above discussion, it might well be asked why we support this reauthorization bill, which in important respects re-

verses the approach of the 1992 Act. First, we recognize the need to reauthorize SAMHSA itself in a timely manner. At a time when resources for discretionary programs are diminishing, it is important to communicate to the Senate and House Appropriations Committees that this Committee strongly supports the vital activities within the jurisdiction of SAMHSA.

We also recognize the advantages of moving the fields of mental health and substance abuse prevention and treatment toward better measurement of health outcomes. The ability to directly measure the impact of programs and expenditures on public health will become increasingly important in the current budgetary climate. Demonstrating program effectiveness will be critical to maintaining adequate funding.

Third, through negotiation, the committee agreed to preserve certain Federal priorities in the block grants. We are pleased, for example, that pregnant substance abusers and injecting drug users and others at greatest risk of HIV disease will continue to receive preference or priority in treatment placement decisions under this bill. Obvious public health considerations justify these priorities, namely the need to protect the fetuses of pregnant women from exposure to drugs, and the need to limit the spread of HIV, respectively. We note that these populations exist in every State.

Fourth, we are pleased that the ''Synar amendment'' to the 1992 law has been preserved. This landmark initiative authored by the former Congressman from Oklahoma represents a major step forward in the effort to restrict youth access to tobacco. We regret, however, that the committee has chosen to reduce the penalties for non-compliance with the Synar requirements at a time of renewed focus on this issue by both the executive and legislative branches.

Finally, we hope that the Performance Partnership Grants (PPGs) authorized in this bill will eventually further the legitimate Federal goals we have identified as effectively as the structure they replace.

II. PERFORMANCE PARTNERSHIP GRANTS

We note that there is currently little agreement on the best definitions and ways to measure health outcomes in the respective fields of mental health and substance abuse, and to the extent that this legislation will stimulate their development, we encourage such progress. We believe that the accountability advantages of performance partnership grants that have been asserted in this report and elsewhere will only materialize with the development of a consensus on how best to conceptualize and measure improvements in health outcomes resulting from federally supported treatment and prevention programs.

Absent such consensus, we see little difference or advantage in reporting on the progress made on process and capacity measures, as compared to the current reporting requirements associated with set-asides and priorities. It is essential that the elimination of set-asides and priorities in favor of the new PPG approach, not result in inadequate services to vulnerable populations.

Regarding the state selection of performance objectives for PPG agreements, we wish to emphasize that the bill calls for states to select objectives from the ''menu'' developed by the Secretary, in

consultation with a broad array of interested parties (see sections 1911–1912, and sections 1921–1921A). We anticipate that the vast majority of objectives that States will wish to address will be found on the Federal "menu"; exceptions should be rare and the Secretary and states are reminded that off-menu objectives should be consistent with those on-menu (see sections 1912 and 1921A).

We expect states to select a sufficient number of performance objectives to reflect the full spectrum of mental health and substance abuse prevention and treatment needs. The bill allows States to choose as few as one objective to concentrate its efforts on for a 3 to 5 year PPG period, but we hope that States choose more.

We wish to remind the Secretary and the States that, during the PPG negotiation process, the Secretary is empowered to ensure that States are meeting their most significant substance abuse and mental health needs (see sections 1912 and 1921A). We interpret this to mean that states must have in place a system by which to assess what their most significant needs are, so that they may justify to the Secretary why they selected particular performance objectives from the menu.

As the majority notes earlier in this report, PPG are intended to be true partnerships. As such, both partners play a role—States select performance objectives from the menu, based on their assessment of their most significant mental health and substance abuse prevention and treatment needs, and the Federal Government must agree with the appropriateness of these objectives in meeting the particular needs of the State and its vulnerable populations before Federal funds are granted. Despite the committee's rush to enhance State flexibility, it is not our—and we do not believe it is the committee's—intention to merely transfer Federal funds to States.

Finally, we are disappointed with a provision added to the bill at a late stage of the committee's deliberations which allows States to continue to transfer up to 10 percent of the mental health PPG to substance abuse PPG and vice versa. The 1992 legislation contained such transfer authority in order to give States time to adjust to new funding formulas. It was not intended to be a permanent accommodation; Congress allocates the funds it deems appropriate for each grant, and if it wanted 10 percent less dedicated to mental health services, it would act accordingly.

The two grants are of very different sizes, and a 10 percent transfer could cause huge swings in mental health and substance abuse funding. In fiscal year 1995, a 10 percent transfer from the mental health block grant would have meant a loss of $27 million for mental health services, while a 10 percent transfer from the substance abuse block grant would have meant a $123 million loss for substance abuse services.

Accordingly, we encourage states to utilize their transfer authority sparingly, and we hope that the authority is eventually removed from Federal law.

III. CONSOLIDATED DEMONSTRATION AUTHORITIES/SPECIALIZED POPULATIONS

At the same time that this bill expands state discretion in administering the SAMHSA block grants, it also expands SAMHSA's discretion in administering the agency's mental health and sub-

stance abuse demonstration programs by consolidating those authorities.

We support the principle of consolidation, but we are pleased that the committee adopted Senator Wellstone's amendment separating the substance abuse demonstration authority into two authorities, one for prevention and one for treatment. The fields of prevention and treatment are different disciplines, with different techniques and target populations, and deserve to be considered separately. The separate demonstration authorities would be most appropriately administered by the Centers within SAMHSA that specialize in these fields; namely, the Center for Substance Abuse Treatment (CSAT) and the Center for Substance Abuse Prevention (CSAP).

We are also pleased that the committee chose to maintain programs designed to serve certain particularly vulnerable populations. In the mental health field, both the Children's Mental Health Program and the Projects for Assistance in the Transition from Homelessness (PATH) program were preserved as separate authorities. Both programs serve some of the most vulnerable citizens in our society. We agree with the majority's sentiment that mental health treatment capacity should be expanded for the homeless mentally ill who have been civilly committed, but suggest that it needs to be expanded for all mentally ill persons. Indeed, treatment capacity should be expanded in the substance abuse field as well.

IV. FOR-PROFIT PROVIDERS

The bill allows for Federal funds to be awarded to for-profit entities, in order to facilitate the implementation of Medicaid managed care systems. We have serious reservations about Federal funds being awarded to such companies, and we stress here that the purposes are limited and that, for substance abuse services, profits are to be redirected to provision of more services—taxpayer dollars must not be used to pay stockholder dividends. Further, we are concerned that the health care providers who participate in managed care have not historically served the populations SAMHSA funds are intended for, and we strongly urge these providers to develop community linkages with the criminal justice and child welfare systems that refer the majority of publicly funded clients.

V. RELIGIOUS PROVIDERS

Commendably, the committee decided to remove a provision from the Chairman's Mark that would have allowed Federal funds to be awarded directly to religious organizations for the delivery of mental health and substance abuse prevention and treatment services. This provision was added to the bill at a very late date, and there was not adequate time for the committee to consider its implications, either through public hearings or through conversations with citizens of our states and other affected parties. We also believe that the provision may be unconstitutional. This provision merits far closer scrutiny before it is inserted into this or any other public health reauthorization bill.

TED KENNEDY.
PAUL D. WELLSTONE.
CHRIS DODD.
TOM HARKIN.
BARBARA A. MIKULSKI.
CLAIBORNE PELL.
PAUL SIMON.

IX. CHANGES IN EXISTING LAW

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT

* * * * * * *

[MENTAL HEALTH

[SEC. 303. [242a] (a) In carrying out the purposes of section 301 with respect to mental health—

[(1) the Secretary, acting through the Director of the Center for Mental Health Services, is authorized to provide clinical training and instruction and to establish and maintain clinical traineeships (with such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary);

[(2) the Surgeon General is authorized to make grants to State or local agencies, laboratories, and other public or nonprofit agencies and institutions, and to individuals for investigations, experiments, demonstrations, studies, and research projects with respect to the development of improved methods of diagnosing mental illness, and of care, treatment, and rehabilitation of the mentally ill, including grants to State agencies responsible for administration of State institutions for care, or care and treatment, of mentally ill persons for developing and establishing improved methods of operation and administration of such institutions.

[(b) Nothing in the Single Convention on Narcotic Drugs, the Convention on Psychotropic Substances, or other treaties or international agreements shall be construed to limit, modify, or prevent the protection of the confidentiality of patient records or of the names and other identifying characteristics of research subjects as provided by any Federal, State, or local law or regulation.

[(c) The Secretary may provide for training instruction, and traineeships under subsection (a)(1) through grants to public and other nonprofit institutions. Grants under paragraph (2) of subsection (a) may be made only upon recommendation of the National Advisory Mental Health Council. Such grants may be paid in advance or by way of reimbursement, as may be determined by the Surgeon General; and shall be made on such conditions as the Surgeon General finds necessary.

[(d)(1) Any individual who has received a clinical traineeship, in psychology, psychiatry, nursing, marital and family therapy, or social work, under subsection (a)(1) that was not of a limited duration or experimental nature (as determined by the Secretary) is obligated to serve, in service determined by the Secretary to be appropriate in the light of the individual's training and experience, at the rate of one year for each year (or academic year, whichever the Secretary determines to be appropriate) of the traineeship.

[(2) The service required under paragraph (1) shall be performed—

[(A) for a public inpatient mental institution providing inpatient care or any entity receiving a grant under the Mental Health Systems Act,

[(B) in a health professional shortage area (as determined under subpart II of part D of this title),

[(C) in any other area or for any other entity designated by the Secretary, or

[(D) in a Federal or State correctional facility,

and shall begin within such period after the termination of the traineeship as the Secretary may determine. In developing criteria for determining for which institutions or entities or in which areas, referred to in the preceding sentence, individuals must perform service under paragraph (1), the Secretary shall give preference to institutions, entities, or areas which in his judgment have the greatest need for personnel to perform that service. The Secretary may permit service for or in other institutions, entities, or areas if the Secretary determines that the request for such service is supported by good cause.

[(3) Any individual who fails to perform the service required under this subsection within the period prescribed by the Secretary is obligated to repay to the United States an amount equal to three times the cost of the traineeship (including stipends and allowances) plus interest at the maximum legal rate at the time of payment of the traineeship, multiplied, in any case in which the service so required has been performed in part, by the percentage which the length of the service not no performed is of the length of the service so required to be performed.

[(4)(A) In the case of any individual any part of whose obligation to perform service under this subsection exists at the same time as any part of the individual's obligation to perform service under section 338C or 338D (because of receipt of a scholarship under subpart II of part D) or the individual's obligation to perform service under section 472 (because of receipt of a National Research Service Award), or both, the same service may not be used to any extent to meet more than one of those obligations.

[(B) In any case to which subparagraph (A) is applicable and in which one of the obligations is to perform service under section 338C or 338D, the obligation to perform service under that section must be met (by performance of the required service or payment of damages) before the obligation to perform service under this subsection or under section 472.

[(C) In any case to which subparagraph (A) is applicable, if any part of the obligation to perform service under section 472 exists at the same time as any part of the obligation to perform service

under this subsection, the manner and time of meeting each obligation shall be prescribed by the Secretary.

[(5) In disseminating application forms to individuals desiring traineeships, the Secretary shall include with such forms a fair summary of the liabilities under this subsection of an individual who receives a traineeship.

[PART E—NARCOTIC ADDICTS AND OTHER DRUG ABUSERS

[CARE AND TREATMENT

[SEC. 341. [257] (a) The Surgeon General is authorized to provide for the confinement, care, protection, treatment, and discipline of persons addicted to the use of habit-forming narcotic drugs who are civilly committed to treatment under the Narcotic Addict Rehabilitation Act of 1966, addicts and other persons with drug abuse and drug dependence problems who voluntarily submit themselves for treatment, and addicts convicted of offenses against the United States, including persons convicted by general courts-martial and consular courts. Such care and treatment shall be provided at hospitals of the Service especially equipped for the accommodation of such patients or elsewhere where authorized under other provisions of law, and shall be designed to rehabilitate such persons, to restore them to health, and, where necessary, to train them to be self-supporting and self-reliant; but nothing in this section or in this part shall be construed to limit the authority of the Surgeon General under other provisions of law to provide for the conditional release of patients and for aftercare under supervision. In carrying out this subsection, the Secretary shall establish in each hospital and other appropriate medical facility of the Service a treatment and rehabilitation program for drug addicts and other persons with drug abuse and drug dependence problems who are in the area served by such hospital or other facility; except that the requirement of this sentence shall not apply in the case of any such hospital or other facility with respect to which the Secretary determines that there is not sufficient need for such a program in such hospital or other facility.

[(b) Upon the admittance to, and departure from, a hospital of the Service of a person who voluntarily submitted himself for treatment pursuant to the provisions of this section, and who at the time of his admittance to such hospital was a resident of the District of Columbia, the Surgeon General shall furnish to the Commissioners of the District of Columbia or their designated agent, the name, address, and such other pertinent information as may be useful in the rehabilitation to society of such person.

[(c) The Secretary may enter into agreements with the Secretary of Veterans Affairs, the Secretary of Defense, and the head of any other department or agency of the Government under which agreements hospitals and other appropriate medical facilities of the Service may be used in treatment and rehabilitation programs provided by such department or agency for drug addicts and other persons with drug abuse and other drug dependence problems who are in areas served by such hospitals or other facilities.

[EMPLOYMENT OF ADDICTS OR OTHER PERSONS WITH DRUG ABUSE AND DRUG DEPENDENCE PROBLEMS

[SEC. 342. [258] narcotic addicts or other persons with drug abuse and drug dependence problems in hospitals of the Service designated for their care shall be employed in such manner and under such conditions as the Surgeon General may direct. In such hospitals the Surgeon General may, in his discretion, establish industries, plants, factories, or shops for the production and manufacture of articles, commodities, and supplies for the United States Government. The Secretary of the Treasury may require any Government department, establishment, or other institution, for whom appropriations are made directly or indirectly by the Congress of the United States, to purchase at current market prices, as determined by him or his authorized representative, such of the articles, commodities, or supplies so produced or manufactured as meet their specifications; and the Surgeon General shall provide for payment to the inmates or their dependents of such pecuniary earnings as he may deem proper. The Secretary shall establish a working-capital fund for such industries, plants, factories, and shops out of any funds appropriated for Public Health Service hospitals at which addicts or other persons with drug abuse and drug dependence problems are treated and cared for; and such fund shall be available for the purchase, repair, or replacement of machinery or equipment, for the purchase of raw materials and supplies, for the purchase of uniforms and other distinctive wearing apparel of employees in the performance of their official duties, and for the employment of necessary civilian officers and employees. The Surgeon General may provide for the disposal of products of the industrial activities conducted pursuant to this section, and the proceeds of any sales thereof shall be covered into the Treasury of the United States to the credit of the working-capital fund.

[CONVICTS

[SEC. 343. [259] (a) The authority vested with the power to designate the place of confinement of a prisoner shall transfer to hospitals of the Service especially equipped for the accommodation of addicts or other persons with drug abuse and drug dependence problems, if accommodations are available, all addicts or other persons with drug abuse and drug dependence problems who have been or are hereafter sentenced to confinement, or who are now or shall hereafter be confined, in any penal, correctional, disciplinary, or reformatory institution of the United States, including those addicts or other persons with drug abuse and drug dependence problems convicted of offenses against the United States who are confined in State and Territorial prisons, penitentiaries, and reformatories, except that no addict or other person with a drug abuse or other drug dependence problem shall be transferred to a hospital of the Service who, in the opinion of the officer authorized to direct the transfer, is not a proper subject for confinement in such an institution either because of the nature of the crime he has committed or because of his apparent incorrigibility. The authority vested with the power to designate the place of confinement of a prisoner shall transfer from a hospital of the Service to the institution from

which he was received, or to such other institution as may be designated by the proper authority, any addict or other person with a drug abuse or other drug dependence problem whose presence at a hospital of the Service is detrimental to the well-being of the hospital or who does not continue to be a narcotic addict or other person with a drug abuse or other drug dependence problem. All transfers of such prisoners to or from a hospital of the Service shall be accompanied by necessary attendants as directed by the officer in charge of such hospital and the actual and necessary expenses incident to such transfers shall be paid from the appropriation for the maintenance of such Service hospital except to the extent that other Federal agencies are authorized or required by law to pay expenses incident to such transfers. When sentence is pronounced against any person whom the prosecuting officer believes to be an addict or other person with a drug abuse or other drug dependence problem such officer shall report to the authority vested with the power to designate the place of confinement, the name of such person, the reasons for his belief, all pertinent facts bearing on such addiction, drug abuse, or drug dependence and the nature of the offense committed. Whenever an alien addict or other person with a drug abuse or other drug dependence problem transferred to a Service hospital pursuant to this subsection is entitled to his discharge but is subject to deportation, in lieu of being returned to the penal institution from which he came he shall be deported by the authority vested by law with power over deportation.

[(b) [Repealed.]

[(c) Not later than one month prior to the expiration of the sentence of any addict or other person with a drug abuse or other drug dependence problem confined in a Service hospital, he shall be examined by the Surgeon General or his authorized representative. If the Surgeon General believes the person to be discharged is still an addict or other person with a drug abuse or other drug dependence problem and that he may be further treatment in a Service hospital be cured of his addiction, drug abuse, or drug dependence the addict or other person with a drug abuse or other drug dependence problem shall be informed, in accordance with regulations, of the advisability of his submitting himself to further treatment. The addict or other person with a drug abuse or other drug dependence problem may then apply in writing to the Surgeon General for further treatment in a Service hospital for period not exceeding the maximum length of time considered necessary by the Surgeon General. Upon approval of the application by the Surgeon General or his authorized agent, the addict or other person with a drug abuse or other drug dependence problem may be given such further treatment as is necessary to cure him of his addiction, drug abuse, or drug dependence.

[(d) Every person convicted of an offense against the United States, upon discharge, or upon release on parole or supervised release from a hospital of the Service, shall be furnished with the gratuities and transportation authorized by law to be furnished to prisoners upon release from a penal, correctional, disciplinary, or reformatory institution.

[(e) Any court of the United States having the power to suspend the imposition or execution of sentence and to place a defendant on

probation under any existing laws may impose as one of the conditions of such probation that the defendant, if an addict, or other person with a drug abuse or other drug dependence problem shall submit himself for treatment at a hospital of the Service especially equipped for the accommodation of addicts or other persons with drug abuse and drug dependence problems until discharged therefrom as cured and that he shall be admitted thereto for such purpose. Upon the discharge of any such probationer from a hospital of the Service, he shall be furnished with the gratuities and transportation authorized by law to be furnished to prisoners upon release from a penal, correctional, disciplinary, or reformatory institution. The actual and necessary expense incident to transporting such probationer to such hospital and to furnishing such transportation and gratuities shall be paid from the appropriation for the maintenance of such hospital except to the extent that other Federal agencies are authorized or required by law to pay the cost of such transportation: *Provided*, That where existing law vests a discretion in any officer as to the place to which transportation shall be furnished or as to the amount of clothing and gratuities to be furnished, such discretion shall be exercised by the Surgeon General with respect to addicts or other persons with drug abuse and drug dependence problems discharged from hospitals of the Service.

[VOLUNTARY PATIENTS

[SEC. 344. [260] (a) Any addict, or other person with a drug abuse or other drug dependence problem whether or not he shall have been convicted of an offense against the United States, may apply to the Surgeon General for admission to a hospital of the Service especially equipped for the accommodation of addicts or other persons with drug abuse and drug dependence problems.

[(b) Any applicant shall be examined by the Surgeon General who shall determine whether the applicant is an addict, or other person with a drug abuse or other drug dependence problem whether by treatment in a hospital of the Service he may probably be cured of his addiction, drug abuse, or drug dependence and the estimated length of time necessary to effect his cure. The Surgeon General may, in his discretion, admit the applicant to a Service hospital. No such addict or other person with drug abuse or other drug dependence problem shall be admitted unless he agrees to submit to treatment for the maximum amount of time estimated by the Surgeon General to be necessary to effect a cure, and unless suitable accommodations are available after all eligible addicts or other persons with drug abuse and drug dependence problems convicted of offenses against the United States have been admitted. Any such addict or other person with a drug abuse or other drug dependence problem may be required to pay for his substance, care, and treatment at rates fixed by the Surgeon General and amounts so paid shall be covered into the Treasury of the United States to the credit of the appropriation from which the expenditure for his subsistence, care, and treatment was made. Appropriations available for the care and treatment of addicts or other persons with drug abuse and drug dependence problems admitted to a hospital of the Service under this section shall be available, subject to regulations, for paying the cost of transportation to any place within

the continental United States, including subsistence allowance while traveling, for any indigent addict or other person with a drug abuse or other drug dependence problem who is discharged as cured.

[(c) Any addict or other person with a drug abuse or other drug dependence problem admitted for treatment under this section, including any addict, or other person with a drug abuse or other drug dependence problem not convicted of an offense, who voluntarily submits himself for treatment, may be confined in a hospital of the Service for a period not exceeding the maximum amount of time estimated by the Surgeon General as necessary to effect a cure of the addiction, drug abuse, or drug dependence or until such time as he ceases to be an addict or other person with a drug abuse or other drug dependence problem.

[(d) Any addict or other person with a drug abuse or other drug dependence problem admitted for treatment under this section shall not thereby forfeit or abridge any of his rights as a citizen of the United States; nor shall such admission or treatment be used against him in any proceeding in any court; and the record of his voluntary commitment shall, except as otherwise provided by this Act, be confidential and shall not be divulged.

[PERSONS COMMITTED FROM DISTRICT OF COLUMBIA

[SEC. 345. [260a] (a) The Surgeon General is authorized to admit for care and treatment in any hospital of the Service suitably equipped therefor, and thereafter to transfer between hospital of the Service in accordance with section 321(b), any addict who is committed, under the provisions of the Act of June 24, 1953 (Public Law 76, Eighty-third Congress, to the Service or to a hospital thereof for care and treatment and who the Surgeon General determines is a proper subject for care and treatment. No such addict shall be admitted unless (1) committed prior to July 1, 1958; and (2) at the time of commitment, the number of persons in hospitals of the Service who have been admitted pursuant to this subsection is less than 100; and (3) suitable accommodations are available after all eligible addicts convicted of offenses against the United States have been admitted.

[(b) Any person admitted to a hospital of the Service pursuant to subsection (a) shall be discharged therefrom (1) upon order of the Superior Court of the District of Columbia, or (2) when he is found by the Surgeon General to be cured and rehabilitated. When any such person is so discharged, the Surgeon General shall give notice thereof to the Superior Court of the District of Columbia and shall deliver such person to such court for such further action as such court may deem necessary and proper under the provisions of the Act of June 24, 1953 (Public Law 76, Eighty-third Congress).

[(c) With respect to the detention, transfer, parole, or discharge of any person committed to a hospital of the Service in accordance with subsection (a), the Surgeon General and the officer in charge of the hospital, in addition to authority otherwise vested in them, shall have such authority as may be conferred upon them respectively, by the order of the committing court.

[(d) The cost of providing care and treatment for persons admitted to a hospital of the Service pursuant to subsection (a) shall be

a charge upon the District of Columbia and shall be paid by the District of Columbia to the Public Health Service, either in advance or otherwise, as may be determined by the Surgeon General. Such cost may be determined for each addict or on the basis of rates established for all or particular classes of patients, and shall include the cost of transportation to and from facilities of the Public Health Service. Moneys so paid to the Public Health Service shall be covered into the Treasury of the United States as miscellaneous receipts. Appropriations available for the care and treatment of addicts admitted to a hospital of the Service under this section shall be available, subject to regulations, for paying the cost of transportation to the District of Columbia, including subsistence allowance while traveling, for any such addict who is discharged.

[PENALTIES

[SEC. 346. [261] (a) Any person not authorized by law or by the Surgeon General who introduces or attempts to introduce into or upon the grounds of any hospital of the Service at which addicts or other persons with drug abuse and drug dependence problems are treated and cared for, any habit-forming narcotic drug, or substance controlled under the Controlled Substances Act, weapon, or any other contraband article or thing, or any contraband letter or message intended to be received by an inmate thereof, shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not more than ten years.

[(b) It shall be unlawful for any person properly committed thereto to escape or attempt to escape from a hospital of the Service at which addicts or other persons with drug abuse and drug dependence problems are treated and cared for, and any such person upon apprehension and conviction in a United States court shall be punished by imprisonment for not more than five years, such sentence to begin upon the expiration of the sentence for which such person was originally confined.

[(c) Any person who procures the escape of any person admitted to a hospital of the Service at which addicts or other persons with drug abuse and drug dependence problems are treated and cared for, or who advises, connives at, aids, or assists in such escape, or who conceals any such inmate after such escape, shall be punished upon conviction in a United States court by imprisonment in the penitentiary for not more than three years.

[RELEASE OF PATIENTS

[SEC. 347. [261a] For purposes of this Act, an individual shall be deemed cured of his addiction, drug abuse, or drug dependence, and rehabilitated if the Surgeon General determines that he has received the maximum benefits of treatment and care by the Service for his addiction, drug abuse, or drug dependence, or if the Surgeon General determines that his further treatment and care for such purpose would be detrimental to the interests of the Service.]

* * * * * * *

Subpart 14—National Institute on Alcohol Abuse and Alcoholism

PURPOSE OF INSTITUTE

SEC. 464H. [285n] (a) IN GENERAL.—* * *

* * * * * * *

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, there are authorized to be appropriated $300,000,000 for fiscal year 1993, and such sums as may be necessary [for fiscal year 1994] *for each of the fiscal years 1994 through 1996.*

* * * * * * *

Subpart 15—National Institute on Drug Abuse

PURPOSE OF INSTITUTE

SEC. 464L. [285o] (a) IN GENERAL.—* * *

* * * * * * *

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, other than section 464P, there are authorized to be appropriated $440,000,000 for fiscal year 1993, and such sums as may be necessary [for fiscal year 1994] *for each of the fiscal years 1995 and 1996.*

* * * * * * *

MEDICATION DEVELOPMENT PROGRAM

SEC. 464P. [285o–4] (a) ESTABLISHMENT.—* * *

* * * * * * *

(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $85,000,000 for fiscal year 1993, [and $95,000,000 for fiscal year 1994] *$95,000,000 for fiscal year 1994, and such as may be necessary for each of the fiscal years 1995 and 1996.*

Subpart 16—National Institute of Mental Health

PURPOSE OF INSTITUTE

SEC. 464R. [285p] (a) IN GENERAL.—* * *

* * * * * * *

(f) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, there are authorized to be appropriated $675,000,000 for fiscal year 1993, and such sums as may be necessary [for fiscal year 1994] *for each of the fiscal years 1994 through 1996.*

* * * * * * *

ADVISORY COUNCILS

SEC. 502. [290aa–1] (a) APPOINTMENT.—

(1) IN GENERAL.—The Secretary shall appoint an advisory council for—

* * * * * * *

(A) Nine of the members shall be appointed by the Secretary from among the leading representatives of the health disciplines (including public health and behavioral and social sciences *and leading representatives from State and local governments*) relevant to the activities of the Administration or Center for which the advisory council is established.

DATA COLLECTION

SEC. 505. [290aa–4] (a) The Secretary, acting through the Administrator, shall collect data each year on—

(1) the national incidence and prevalence of the various forms of mental illness and substance abuse; [and]

(2) the incidence and prevalence of such various forms in major metropolitan areas selected by the Administrator[.]*; and*

(3) other factors as needed to carry out part B of title XIX. The Secretary may conduct activities under this subsection directly, or through grants, contracts, or cooperative agreements.

* * * * * * *

[RESIDENTIAL TREATMENT PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN

[SEC. 508. [290bb–1] (a) IN GENERAL.—The Director of the Center for Substance Abuse Treatment shall provide awards of grants, cooperative agreement, or contracts to public and nonprofit private entities for the purpose of providing to pregnant and postpartum women treatment for substance abuse through programs in which, during the course of receiving treatment—

[(1) the women reside in facilities provided by the programs;

[(2) the minor children of the women reside with the women in such facilities, if the women so request; and

[(3) the services described in subsection (d) are available to or on behalf of the women.

[(b) AVAILABILITY OF SERVICES FOR EACH PARTICIPANT.—A funding agreement for an award under subsection (a) for an applicant is that, in the program operated pursuant to such subsection—

[(1) treatment services and each supplemental service will be available through the applicant, either directly or through agreements with other public or nonprofit private entities; and

[(2) the services will be made available to each woman admitted to the program.

[(c) INDIVIDUALIZED PLAN OF SERVICES.—A funding agreement for an award under subsection (a) for an applicant is that—

[(1) in providing authorized services for an eligible woman pursuant to such subsection, the applicant will, in consultation with the women, prepare an individualized plan for the provision to the woman of the services; and

[(2) treatment services under the plan will include—

[(A) individual, group, and family counseling, as appropriate, regarding substance abuse; and

[(B) follow-up services to assist the woman in preventing a relapse into such abuse.

[(d) REQUIRED SUPPLEMENTAL SERVICES.—In the case of an eligible woman, the services referred to in subsection (a)(3) are as follows:

[(1) Prenatal and postpartum health care.

[(2) Referrals for necessary hospital services.

[(3) For the infants and children of the woman—

[(A) pediatric health care, including treatment for any perinatal effects of maternal substance abuse and including screenings regarding the physical and mental development of the infants and children;

[(B) counseling and other mental health services, in the case of children; and

[(C) comprehensive social services.

[(4) Providing supervision of children during periods in which the woman is engaged in therapy or in other necessary health or rehabilitative activities.

[(5) Training in parenting.

[(6) Counseling on the human immunodeficiency virus and on acquired immune deficiency syndrome.

[(7) Counseling on domestic violence and sexual abuse.

[(8) Counseling on obtaining employment, including the importance of graduating from a secondary school.

[(9) Reasonable efforts to preserve and support the family units of the women, including promoting the appropriate involvement of parents and others, and counseling the children of the women.

[(10) Planning for and counseling to assist reentry into society, both before and after discharge, including referrals to any public or nonprofit private entities in the community involved that provide services appropriate for the women and the children of the women.

[(11) Case management services, including—

[(A) assessing the extent to which authorized services are appropriate for the women and their children;

[(B) in the case of the services that are appropriate, ensuring that the services are provided in a coordinated manner; and

[(C) assistance in establishing eligibility for assistance under Federal, State, and local programs providing health services, mental health services, housing services, employment services, educational services, or social services.

[(e) MINIMUM QUALIFICATIONS FOR RECEIPT OF AWARD.—

[(1) CERTIFICATION BY RELEVANT STATE AGENCY.—With respect to the principal agency of the State involved that administers programs relating to substance abuse, the Director may make an award under subsection (a) to an applicant only if the agency has certified to the Director that—

[(A) the applicant has the capacity to carry out a program described in subsection (a);

[(B) the plans of the applicant for such a program are consistent with the policies of such agency regarding the treatment of substance abuse; and

[(C) the applicant, or any entity through which the applicant will provide authorized services, meets all applicable State licensure or certification requirements regarding the provision of the services involved.

[(2) STATUS AS MEDICAID PROVIDER.—

[(A) Subject to subparagraphs (B) and (C), the Director may make an award under subsection (a) only if, in the case of any authorized service that is available pursuant to the State plan approved under title XIX of the Social Security Act for the State involved—

[(i) the applicant for the award will provide the service directly, and the applicant has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

[(ii) the applicant will enter into an agreement with a public or nonprofit private entity under which the entity will provide the service, and the entity has entered into such a participation agreement plan and is qualified to receive such payments.

[(B)(i) In the case of an entity making an agreement pursuant to subparagraph (A)(ii) regarding the provision of services, the requirement established in such subparagraph regarding a participation agreement shall be waived by the Director if the entity does not, in providing health care services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits plan.

[(ii) A determination by the Director of whether an entity referred to in clause (i) meets the criteria for a waiver under such clause shall be made without regard to whether the entity accepts voluntary donations regarding the provision of services to the public.

[(C) With respect to any authorized service that is available pursuant to the State plan described in subparagraph (A), the requirements established in such subparagraph shall not apply to the provision of any such service by an institution for mental diseases to an individual who has attained 21 years of age and who has not attained 65 years of age. For purposes of the preceding sentence, the term ''institution for mental diseases'' has the meaning given such term in section 1905(i) of the Social Security Act.

[(f) REQUIREMENT OF MATCHING FUNDS.—

[(1) IN GENERAL.—With respect to the costs of the program to be carried out by an applicant pursuant to subsection (a), a funding agreement for an award under such subsection is that the applicant will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that—

[(A) for the first fiscal year for which the applicant receives payments under an award under such subsection, is not less than $1 for each $9 of Federal funds provided in the award;

[(B) for any second such fiscal year, is not less than $1 for each $9 of Federal funds provided in the award; and

[(C) for any subsequent such fiscal year, is not less than $1 for each $3 of Federal Funds provided in the award.

[(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly, evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

[(g) OUTREACH.—A funding agreement for an award under subsection (a) of an applicant is that the applicant will provide outreach services in the community involved to identify women who are engaging in substance abuse and to encourage the women to undergo treatment for such abuse.

[(h) ACCESSIBILITY OF PROGRAM; CULTURAL CONTEXT OF SERVICES.—A funding agreement for an award under subsection (a) for an applicant is that—

[(1) the program operated pursuant to such subsection will be operated at a location that is accessible to low-income pregnant and postpartum women; and

[(2) authorized services will be provided in the language and the cultural context that is most appropriate.

[(i) CONTINUING EDUCATION.—A funding agreement for an award under subsection (a) is that the applicant involved will provide for continuing education in treatment services for the individuals who will provide treatment in the program to be operated by the applicant pursuant to such subsection.

[(j) IMPOSITION OF CHARGES.—A funding agreement for an award under subsection (a) of an applicant is that, if a charge is imposed for the provision of authorized services to on behalf of an eligible woman, such charge—

[(1) will be made according to a schedule of charges that is made available to the public;

[(2) will be adjusted to reflect the income of the woman involved; and

[(3) will not be imposed on any such woman with an income of less than 185 percent of the official poverty line, as established by the Director of the Office for Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

[(k) REPORTS TO DIRECTOR.—A funding agreement for an award under subsection (a) is that the applicant involved will submit to the Director a report—

[(1) describing the utilization and costs of services provided under the award;

[(2) specifying the number of women served, the number of infants served, and the type of costs of services provided; and

[(3) providing such other information as the Director determines to be appropriate.

[(l) REQUIREMENT OF APPLICATION.—The Director may make an award under subsection (a) only if an application for the award is submitted to the Director containing such agreements, and the application is in such form, is made in such manner, and contains such other agreements and such assurances and information as the Director determines to be necessary to carry out this section.

[(m) EQUITABLE ALLOCATION OF AWARDS.—In making awards under subsection (a), the Director shall ensure that the awards are equitably allocated among the principal geographic regions of the United States, subject to the availability of qualified applicants for the awards.

[(n) DURATION OF AWARD.—The period during which payments are made to an entity from an award under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Director of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. This subsection may not be construed to establish a limitation on the number of awards under such subsection that may be made to an entity.

[(o) EVALUATIONS; DISSEMINATION OF FINDINGS.—The Director shall, directly or through contract, provide for the conduct of evaluations of programs carried out pursuant to subsection (a). The Director shall disseminate to the States the findings made as a result of the evaluations.

[(p) REPORTS TO CONGRESS.—Not later than October 1, 1994, the Director shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing programs carried out pursuant to this section. Every 2 years thereafter, the Director shall prepare a report describing such programs carried out during the preceding 2 years, and shall submit the report to the Administrator for inclusion in the biennial report under section 501(k). Each report under this subsection shall include a summary of any evaluations conducted under subsection (m) during the period with respect to which the report is prepared.

[(q) DEFINITIONS.—For purposes of this section:

[(1) The term ''authorized services'' means treatment services and supplemental services.

[(2) The term ''eligible woman'' means a woman who has been admitted to a program operated pursuant to subsection (a).

[(3) The term ''funding agreement under subsection (a)'', with respect to an award under subsection (a), means that the Director may make the award only if the applicant makes the agreement involved.

[(4) The term ''treatment services'' means treatment for substance abuse, including the counseling and services described in subsection (c)(2).

[(5) The term ''supplemental services'' means the services described in subsection (d).

[(r) AUTHORIZATION OF APPROPRIATIONS.—

[(1) IN GENERAL.—For the purpose of carrying out this section and section 509, there are authorized to be appropriated $100,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.

[(2) TRANSFER.—For the purpose described in paragraph (1), in addition to the amounts authorized in such paragraph to be appropriated for a fiscal year, there is authorized to be appropriated for the fiscal year from the special forfeiture fund of the Director of the Office of National Drug Control Policy such sums as may be necessary.

[(3) RULE OF CONSTRUCTION.—The amounts authorized in this subsection to be appropriated are in addition to any other amounts that are authorized to be appropriated and are available for the purpose described in paragraph (1).]

[OUTPATIENT TREATMENT PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN

[SEC. 509. [290bb–2] (a) GRANTS.—The Secretary, acting through the Director of the Treatment Center, shall make grants to establish projects for the outpatient treatment of substance abuse among pregnant and postpartum women, and in the case of conditions arising in the infant of such women as a result of such abuse by the women, the outpatient treatment of the infants for such conditions.

[(b) PREVENTION.—Entities receiving grants under this section shall engage in activities to prevent substance abuse among pregnant and postpartum women.

[(c) EVALUATION.—The Secretary shall evaluate projects carried out under subsection (a) and shall disseminate to appropriate public and private entities information on effective projects.

[DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE

[SEC. 510. [290bb–3] (a) GRANTS FOR TREATMENT IMPROVEMENT.—The Director of the Center for Substance Abuse Treatment shall provide grants to public and nonprofit private entities for the purpose of establishing demonstration projects that will improve the provision of treatment services for substance abuse.

[(b) NATURE OF PROJECTS.—Grants under subsection (a) shall be awarded to—

[(1) projects that provide treatment to adolescents, female addicts and their children, racial and ethnic minorities, or individuals in rural areas, with preference given to such projects that provide treatment for substance abuse to women with dependent children, which treatment is provided in settings in which both primary health services for the women and pediatric care are available.

[(2) projects that provide treatment in exchange for public service;

[(3) projects that provide treatment services and which are operated by public and nonprofit private entities receiving grants under section 329, 330, 340, 340A, and other public or nonprofit private entities that provide primary health services;

[(4) "treatment campus" projects that—

[(A) serve a significant number of individuals simultaneously;

[(B) provide residential, non-community based drug treatment;

[(C) provide patients with ancillary social services and referrals to community-based aftercare; and

[(D) provide services on a voluntary basis;

[(5) projects in large metropolitan areas to identify individuals in need of treatment services and to improve the availability and delivery of such services in the areas;

[(6) in the case of drug abusers who are at risk of HIV infection, projects to conduct outreach activities to the individuals regarding the prevention of exposure to and the transmission of the human immunodeficiency virus, and to encourage the individuals to seek treatment for such abuse; and

[(7) projects to determine the long-term efficacy of the projects described in this section and to disseminate to appropriate public and private entities information on the projects that have been effective.

[(c) PREFERENCES IN MAKING GRANTS.—In awarding grants under subsection (a), the Director of the Treatment Center shall give preference to projects that—

[(1) demonstrate a comprehensive approach to the problems associated with substance abuse and provide evidence of broad community involvement and support; or

[(2) initiate and expand programs for the provision of treatment services (including renovation of facilities, but not construction) in localities in which, and among populations for which, there is a public health crisis as a result of the inadequate availability of such services and a substantial rate of substance abuse.

[(d) DURATION OF GRANTS.—The period during which payments are made under a grant under subsection (a) may not exceed 5 years.

[(e) AUTHORIZATION OF APPROPRIATIONS.—

[(1) IN GENERAL.—For the purpose of carrying out this section, there are authorized to be appropriated $175,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994. The amounts so authorized are in addition to any other amounts that are authorized to be appropriated and available for such purpose.

[(2) ALLOCATION.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Director of the Treatment Center shall reserve not less than 5 percent for carrying out projects described in subsections (b)(2) and (b)(3).]

SEC. 510. PRIORITY SUBSTANCE ABUSE TREATMENT NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

(a) GRANTS.—The Secretary shall address the substance abuse treatment health needs of regional and national significance through—

(1) the provision of

(A) training; or

(B) demonstration projects for prevention and treatment; and

(2) the conduct or support of evaluations of such demonstration projects.

In carrying out this section, the Secretary may make grants to, or enter into cooperative agreements with, States, political subdivisions of States, Indian Tribes and tribal organizations, and public or private nonprofit entities.

(b) SUBSTANCE ABUSE TREATMENT HEALTH NEEDS.—Substance abuse health needs of regional and national significance may include managed care, systems and partnerships, client-oriented services, and other priority populations (including pregnant substance abusers, women with dependent children, crack cocaine and injecting drug users, and patients with dual disorders) and conditions as determined appropriate by the Secretary.

(c) REQUIREMENTS.—

(1) IN GENERAL.—Recipients of grants, cooperative agreements, and contracts under this section shall comply with information and application requirements determined appropriate by the Secretary.

(2) PAYMENTS.—With respect to a grant, cooperative agreement, or contract awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary and the availability of appropriations for the fiscal year involved. This paragraph may not be construed as limiting the number of awards under the program involved that may be made to an entity.

(3) MATCHING FUNDS.—The Secretary may require that an entity that applies for a grant, contract, or cooperative agreement under this section provide non-Federal matching funds, as determined appropriate by the Secretary, to ensure the institutional commitment of the entity to the projects funded under the grant, contract, or cooperative agreement. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(4) MAINTENANCE OF EFFORT.—With respect to activities for which a grant, cooperative agreement, or contract is awarded under this section, the Secretary may require the recipient to agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for such fiscal year preceding the fiscal year for which the entity receives such a grant, contract, or cooperative agreement.

(5) APPLICATION AND FUNDING AGREEMENTS.—

(A) APPLICATION.—An application for a grant, contract, or cooperative agreement under this section shall ensure that amounts received under such grant, contract, or agreement will not be expended—

(i) to provide inpatient services;

(ii) to make cash payments to intended recipients of services;

(iii) to purchase or improve land, purchase, construct, or permanently improve (other than minor re-

modeling) any building or other facility, or purchase major medical equipment; or

(iv) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

(B) FUNDING AGREEMENT.—A funding agreement for a grant, contract, or cooperative agreement under this section is that the entity involved will not expend more than 10 percent of the grant, contract, or agreement for administrative expenses with respect to the grant, contract, or agreement.

(d) REDUCTION IN PAYMENTS.—The Secretary, at the request of a State or a political subdivision of a State, or a public or private nonprofit entity, may reduce the amount of payments under this section by—

(1) the fair market value of any supplies or equipment furnished the State, political subdivision of the State, or a public or private nonprofit entity; and

(2) the amount of the pay, allowances, and travel expenses of any officer, fellow, or employee of the Government when detailed to the State, a political subdivision of the State, or a public or private non-profit entity, and the amount of any other costs incurred in connection with the detail of such officer, fellow, or employee;

when the furnishing of such officer, fellow, or employee is for the convenience of and at the request of the State, political subdivision of the State, or public or private non-profit entity and for the purpose of conducting activities described in this section. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to have been paid to the State, political subdivision of the State, or public or private non-profit entity.

(e) EVALUATION.—The Secretary shall evaluate each project carried out under section (a)(1)(B) and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

(f) INFORMATION AND EDUCATION.—

(1) IN GENERAL.—The Secretary shall establish information and education programs to disseminate the findings of the research, demonstration, and training programs under this section to the general public and to health professionals.

(2) DISSEMINATION.—The Secretary shall take such action as may be necessary to insure that all methods of dissemination and exchange of information are maintained between the Substance Abuse and Mental Health Services Administration and the public, and the Administration and other scientific organizations, both nationally and internationally.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $195,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 1999.

* * * * * * *

[GRANTS FOR SUBSTANCE ABUSE TREATMENT IN STATE AND LOCAL CRIMINAL JUSTICE SYSTEMS

[SEC. 511. [290bb–4] (a) IN GENERAL.—The Director of the Center for Substance Abuse Treatment shall provide grants to public and nonprofit private entities that provide treatment for substance abuse to individuals under criminal justice supervision.

[(b) ELIGIBILITY.—In awarding grants under subsection (a), the Director shall ensure that the grants are reasonably distributed among—

[(1) projects that provide treatment services to individuals who are incarcerated in prisons, jails, or community correctional settings; and

[(2) projects that provide treatment services to individuals who are not incarcerated, but who are under criminal justice supervision because of their status as pretrial releasees, posttrial releasees, probationers, parolees, or supervised releasees.

[(c) PRIORITY.—In awarding grants under subsection (a), the Director shall give priority to programs commensurate with the extent to which such programs provide, directly or in conjunction with other public or private nonprofit entities, one or more of the following—

[(1) a continuum of offender management services as individuals enter, proceed through, and leave the criminal justice system, including identification and assessment, substance abuse treatment, pre-release counseling and pre-release referrals with respect to housing, employment and treatment;

[(2) comprehensive treatment services for juvenile offenders;

[(3) comprehensive treatment services for female offenders, including related services such as violence counseling, parenting and child development classes, and perinatal care;

[(4) outreach services to identify individuals under criminal justice supervision who would benefit from substance abuse treatment and to encourage such individuals to seek treatment; or

[(5) treatment services that function as an alternative to incarceration for appropriate categories of offenders or that otherwise enable individuals to remain under criminal justice supervision in the least restrictive setting consistent with public safety.

[(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $50,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.

[TRAINING IN PROVISION OF TREATMENT SERVICES

[SEC. 512. [290bb–5] (a) IN GENERAL.—The Director of the Center for Substance Abuse Treatment shall develop programs to increase the number of health professionals providing treatment, services through the awarding of grants to appropriate public and non-profit private entities, including agencies of State and local governments, hospitals, schools of medicine, schools of osteopathic medicine, schools of nursing, schools of social work, and graduate programs in marriage and family therapy.

[(b) PRIORITY.—In awarding grants under subsection (a), the Director shall give priority to projects that train full-time substance abuse treatment professionals and projects that will receive financial support from public entities for carrying out the projects.

[(c) HEALTH PROFESSIONS EDUCATION.—In awarding grants under subsection (a), the Director may make grants—

[(1) to train individuals in the diagnosis and treatment of alcohol abuse and other drug abuse; and

[(2) to develop appropriate curricula and materials for the training described in paragraph (1).

[(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $30,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.]

* * * * * * *

Subpart 2—Center for Substance Abuse Prevention

OFFICE FOR SUBSTANCE ABUSE PREVENTION

SEC. 515. [290bb–21] (a) There is established in the Administration an Office for Substance Abuse Prevention (hereafter referred to in this part as the "Prevention Center").

(b) The Director of the Prevention Center shall—

(1) * * *

* * * * * * *

[(5) support clinical training programs for substance abuse counselors and other health professionals involved in drug abuse education, prevention;]

[(6)] *(5)* in cooperation with the Director of the Centers for Disease Control, develop education materials to reduce the risks of acquired immune deficiency syndrome among intravenous drug abusers;

[(7)] *(6)* conduct training, technical assistance, data collection, and evaluation activities of programs supported under the Drug Free Schools and Communities Act of 1986;

[(8)] *(7)* support the development of model, innovative, community-based programs to discourage alcohol and drug abuse among young people;

[(9)] *(8)* prepare for distribution documentary films and public service announcements for television and radio to educate the public concerning the dangers to health resulting from the consumption of alcohol and drugs and, to the extent feasible, use appropriate private organizations and business concerns in the preparation of such announcements; and

[(10)] *(9)* develop and support innovative demonstration programs designed to identify and deter the improper use or abuse of anabolic steroids by students, especially students in secondary schools.

* * * * * * *

[COMMUNITY PROGRAMS

[SEC. 516. [290bb–22] (a) IN GENERAL.—The Secretary, acting through the Director of the Prevention Center, shall—

[(1) provide assistance to communities to develop comprehensive long-term strategies for the prevention of substance abuse; and

[(2) evaluate the success of different community approaches toward the prevention of such abuse.

[(b) STRATEGIES FOR REDUCING USE.—The Director of the Prevention Center shall ensure that strategies developed under subsection (a)(1) include strategies for reducing the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.

[(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out subsection (a), there are authorized to be appropriated $120,000,000 for fiscal year 1993, such sums as may be necessary for fiscal year 1994.]

SEC. 516. PRIORITY SUBSTANCE ABUSE PREVENTION NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

(a) GRANTS.—The Secretary shall address the substance abuse prevention health needs of regional and national significance through—

(1) the provision of

(A) training; or

(B) demonstration projects for prevention; and

(2) conduct or support of evaluations of such demonstration projects.

In carrying out this section, the Secretary may make grants to, or enter into cooperative agreements with, States, political subdivisions of States, Indian tribes and tribal organizations and public or private nonprofit entities.

(b) SUBSTANCE ABUSE PREVENTION HEALTH NEEDS.—Substance abuse prevention health needs of regional and national significance may include managed care, systems and partnerships, client oriented services, and other priority populations (including youth, high risk youth, and children of substance abusers) and conditions as considered appropriate by the Secretary.

(c) REQUIREMENTS.—

(1) IN GENERAL.—Recipients of grants, cooperative agreements, and contracts under this section shall comply with information and application requirements determined appropriate by the Secretary.

(2) PAYMENTS.—With respect to a grant, cooperative agreement, or contract awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary and the availability of appropriations for the fiscal year involved. This paragraph may not be construed as limiting the number of awards under the program involved that may be made to an entity.

(3) MATCHING FUNDS.—The Secretary may require that an entity that applies for a grant, contract, or cooperative agreement under this section provide non-Federal matching funds, as de-

termined appropriate by the Secretary, to ensure the institutional commitment of the entity to the projects funded under the grant, contract, or cooperative agreement. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(4) MAINTENANCE OF EFFORT.—With respect to activities for which a grant, cooperative agreement, or contract is awarded under this section, the Secretary may require the recipient to agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for such fiscal year preceding the fiscal year for which the entity receives such a grant, contract, or cooperative agreement.

(5) APPLICATION AND FUNDING AGREEMENTS.—

(A) APPLICATION.—An application for a grant, contract, or cooperative agreement under this section shall ensure that amounts received under such grant, contract, or agreement will not be expended—

(i) to provide inpatient services;

(ii) to make cash payments to intended recipients of services;

(iii) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

(iv) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

(B) FUNDING AGREEMENT.—A funding agreement for a grant, contract, or cooperative agreement under this section is that the entity involved will not expend more than 10 percent of the grant, contract, or agreement for administrative expenses with respect to the grant, contract, or agreement.

(d) REDUCTION IN PAYMENTS.—The Secretary, at the request of a State or a political subdivision of a State, or a public or private nonprofit entity, may reduce the amount of payments under this section by—

(1) the fair market value of any supplies or equipment furnished the State, political subdivision of the State, or a public or private nonprofit entity; and

(2) the amount of the pay, allowances, and travel expenses of any officer, fellow, or employee of the Government when detailed to the State, a political subdivision of the State, or a public or private non-profit entity, and the amount of any other costs incurred in connection with the detail of such officer, fellow, or employee;

when the furnishing of such officer, fellow, or employee is for the convenience of and at the request of the State, political subdivision of the State, or public or private non-profit entity and for the purpose of conducting activities described in this section. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or

equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to have been paid to the State, political subdivision of the State, or public or private non-profit entity.

(e) EVALUATIONS.—The Secretary shall evaluate each project carried out under section (a)(1)(B) and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

(f) INFORMATION AND EDUCATION.—

(1) IN GENERAL.—The Secretary shall establish information and education programs to disseminate the findings of the research, demonstration, and training programs under this section to the general public and to health professionals.

(2) DISSEMINATION.—The Secretary shall take such action as may be necessary to insure that all methods of dissemination and exchange of information are maintained between the Substance Abuse and Mental Health Services Administration and the public, and the Administration and other scientific organizations, both nationally and internationally.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $215,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 1999.

[PREVENTION, TREATMENT, AND REHABILITATION MODEL PROJECTS FOR HIGH RISK YOUTH

[SEC. 517. [290bb–23] (a) The Secretary, through the Director of the Prevention Center, shall make grants to public and nonprofit private entities for projects to demonstrate effective models for the prevention, treatment, and rehabilitation of drug abuse and alcohol abuse among high risk youth.

[(b)(1) In making grants for drug abuse an alcohol abuse prevention projects under this section, the Secretary shall give priority to applications for projects directed at children of substance abusers, latchkey children, children at risk of abuse or neglect, preschool children eligible for services under the Head Start Act, children at risk of dropping out of school, children at risk of becoming adolescent parents, and children who do not attend school and who are at risk of being unemployed.

[(2) In making grants for drug abuse and alcohol abuse treatment and rehabilitation projects under this section, the Secretary shall give priority to projects which address the relationship between drug abuse or alcohol abuse and physical child abuse, sexual child abuse, emotional child abuse, dropping out of school, unemployment, delinquency, pregnancy, violence, suicide, or mental health problems.

[(3) In making grants under this section, the Secretary shall give priority to applications from community based organizations for projects to develop innovative models with multiple, coordinated services for the prevention or for the treatment and rehabilitation of drug abuse or alcohol abuse by high risk youth.

[(4) In making grants under this section, the Secretary shall give priority to applications for projects to demonstrate effective models with multiple, coordinated services which may be replicated and

which are for the prevention or for the treatment and rehabilitation of drug abuse or alcohol abuse by high risk youth.

[(5) In making grants under this section, the Secretary shall give priority to applications that employ research designs adequate for evaluating the effectiveness of the program.

[(c) The Secretary shall ensure that projects under subsection (a) include strategies for reducing the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.

[(d) To the extent feasible, the Secretary shall make grants under this section in all regions of the United States, and shall ensure the distribution of grants under this section among urban and rural areas.

[(e) In order to receive a grant for a project under this section for a fiscal year, a public or nonprofit private entity shall submit an application to the Secretary, acting through the Office. The Secretary may provide to the Governor of the State the opportunity to review and comment on such application. Such application shall be in such form, shall contain such information, and shall be submitted at such time as the Secretary may by regulation prescribe.

[(f) The Director of the Office shall evaluate projects conducted with grants under this section.

[(g) For purposes of this section, the term ''high risk youth'' means an individual who has not attained the age of 21 years, who is at high risk of becoming, or who has become, a drug abuser or an alcohol abuser, and who—

[(1) is identified as a child of a substance abuser;

[(2) is a victim of physical, sexual, or psychological abuse;

[(3) has dropped out of school;

[(4) has become pregnant;

[(5) is economically disadvantaged;

[(6) has committed a violent or delinquent act;

[(7) has experienced mental health problems;

[(8) has attempted suicide;

[(9) has experienced long-term physical pain due to injury; or

[(10) has experienced chronic failure in school.

[(h) For the purpose of carrying out this section, there are authorized to be appropriated $70,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.

[SEC. 518. [290bb–24] EMPLOYEE ASSISTANCE PROGRAMS.

[(a) IN GENERAL.—The Director of the Prevention Center may make grants to public and nonprofit private entities for the purpose of assisting business organizations in establishing employee assistance programs to provide appropriate services for employees of the organizations regarding substance abuse, including education and prevention services and referrals for treatment.

[(b) CERTAIN REQUIREMENTS.—A business organization may not be assisted under subsection (a) if the organization has an employee assistance program in operation. The organization may receive such assistance only if the organization lacks the financial resources for operating such a program.

[(c) SPECIAL CONSIDERATION FOR CERTAIN SMALL BUSINESSES.—In making grants under subsection (a), the Director of the Preven-

tion Office shall give special consideration to business organizations with 50 or fewer employers.

[(d) CONSULTATION AND TECHNICAL ASSISTANCE.—In the case of small businesses being assisted under subsection (a), the Secretary shall consult with the entities and organizations involved and provide technical assistance and training with respect to establishing and operating employee assistance programs in accordance with this subtitle. Such assistance shall include technical assistance in establishing workplace substance abuse programs.

[(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $3,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.]

* * * * * * *

Subpart 3—Center for Mental Health Services

CENTER FOR MENTAL HEALTH SERVICES

SEC. 520. [290bb–31] (a) * * *

* * * * * * *

(b) DUTIES.—The Director of the Center shall—

(1) * * *

* * * * * * *

[(5) administer the mental health services block grant program authorized in section 1911;]

[(6)] *(5)* promote policies and programs at Federal, State and local levels and in the private sector that foster independence and protect the legal rights of persons with mental illness, including carrying out the provisions of the Protection and Advocacy of Mentally Ill Individuals Act;

[(7)] *(6)* carry out the programs authorized under sections 520A and 521, including the Community Support Program and the Child and Adolescent Service System Programs;

[(8)] *(7)* carry out responsibilities for the Human Resource Development program, and programs of clinical training for professional and paraprofessional personnel pursuant to section 303;

[(9)] *(8)* conduct services-related assessments, including evaluations of the organization and financing of care, self-help and consumer-run programs, mental health economics, mental health service systems, rural mental health, and improve the capacity of State to conduct evaluations of publicly funded mental health programs;

[(10)] *(9)* establish a clearinghouse for mental health information to assure the widespread dissemination of such information to States, political subdivisions, educational agencies and institutions, treatment and prevention service providers, and the general public, including information concerning the practical application of research supported by the National Institute of Mental Health that is applicable to improving the delivery of services;

[(11)] *(10)* provide technical assistance to public and private entities that are providers of mental health services;

[(12)] *(11)* monitor and enforce obligations incurred by community mental health centers pursuant to the Community Mental Health Centers Act (as in effect prior to the repeal of such Act on August 13, 1981, by section 902(e)(2)(B) of Public Law 97–35 (95 Stat. 560));

[(13)] *(12)* conduct surveys with respect to mental health, such as the National Reporting Program; and

[(14)] *(13)* assist States in improving their mental health data collection.

* * * * * * *

SEC. 520A. PRIORITY MENTAL HEALTH NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

(a) GRANTS.—The Secretary shall address priority mental health needs of regional and national significance through—

(1) the provision of—

(A) training; or

(B) demonstration projects for prevention, treatment, and rehabilitation; and

(2) the conduct or support of evaluations of such demonstration projects.

In carrying out this section, the Secretary may make grants to, or enter into cooperative agreements with, States, political subdivisions of States, Indian Tribes and tribal organizations, and public or private nonprofit entities.

(b) PRIORITY MENTAL HEALTH NEEDS.—Priority mental health needs of regional and national significance shall include child mental health services, and may include managed care, systems and partnerships, client-oriented and consumer-run self-help services, training, and other priority populations and conditions as determined appropriate by the Secretary.

(c) REQUIREMENTS.—

(1) IN GENERAL.—Recipients of grants, cooperative agreements, and contracts under this section shall comply with information and application requirements determined appropriate by the Secretary.

(2) PAYMENTS.—With respect to a grant, cooperative agreement, or contract awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary and the availability of appropriations for the fiscal year involved. This paragraph may not be construed as limiting the number of awards under the program involved that may be made to an entity.

(3) MATCHING FUNDS.—The Secretary may require that an entity that applies for a grant, contract, or cooperative agreement under this section provide non-Federal matching funds, as determined appropriate by the Secretary, to ensure the institutional commitment of the entity to the projects funded under the grant, contract, or cooperative agreement. Such non-Federal matching funds may be provided directly or through donations

from public or private entities and may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(4) MAINTENANCE OF EFFORT.—With respect to activities for which a grant, cooperative agreement, or contract is awarded under this section, the Secretary may require that the recipient agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for such fiscal year preceding the fiscal year for which the entity receives such a grant, contract, or cooperative agreement.

(5) APPLICATION AND FUNDING AGREEMENTS.—

(A) APPLICATION.—An application for a grant, contract, or cooperative agreement under this section shall ensure that amounts received under such grant, contract, or agreement will not be expended—

(i) to provide inpatient services;

(ii) to make cash payments to intended recipients of services;

(iii) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

(iv) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

(B) FUNDING AGREEMENT.—A funding agreement for a grant, contract, or cooperative agreement under this section is that the entity involved will not expend more than 10 percent of the grant, contract, or agreement for administrative expenses with respect to the grant, contract, or agreement.

(d) REDUCTION IN PAYMENTS.—The Secretary, at the request of a State or a political subdivision of a State, or a public or private nonprofit entity, may reduce the amount of payments under this section by—

(1) the fair market value of any supplies or equipment furnished the State, political subdivision of the State, or a public or private nonprofit entity; and

(2) the amount of the pay, allowances, and travel expenses of any officer, fellow, or employee of the Government when detailed to the State, a political subdivision of the State, or a public or private non-profit entity, and the amount of any other costs incurred in connection with the detail of such officer, fellow, or employee;

when the furnishing of such officer, fellow, or employee is for the convenience of and at the request of the State, political subdivision of the State, or public or private non-profit entity and for the purpose of conducting activities described in this section. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to have been paid to the State, political subdivision of the State, or public or private non-profit entity.

(e) EVALUATION.—The Secretary shall evaluate each project carried out under section (a)(1)(B) and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

(f) INFORMATION AND EDUCATION.—

(1) IN GENERAL.—The Secretary shall establish information and education programs to disseminate the findings of the demonstration and training programs under this section to the general public and to health professionals.

(2) DISSEMINATION.—The Secretary shall take such action as may be necessary to insure that all methods of dissemination and exchange of information are maintained between the Substance Abuse and Mental Health Services Administration and the public, and such Administration and other scientific organizations, both nationally and internationally.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for each of the fiscal years 1996 and 1997, $30,000,000 for fiscal year 1998, and such sums as may be necessary for fiscal year 1999.

* * * * * * *

[SEC. 520B. [290bb–33] DEMONSTRATION PROJECTS FOR INDIVIDUALS WITH POSITIVE TEST RESULTS.

[(a) IN GENERAL.—The Secretary, acting through the Director of the Center for Mental Health Services, may make grants to public and nonprofit private entities for demonstration projects for the development, establishment, or expansion of programs to provide counseling and mental health treatment—

[(1) for individuals who experience serious psychological reactions as a result of being informed that the results of testing for the etiologic agent for acquired immune deficiency syndrome indicate that the individuals are infected with such etiologic agent; and

[(2) for the families of such individuals, and for others, who experience serious psychological reactions as a result of being informed of the results of such testing of such individuals.

[(b) PREFERENCES IN MAKING GRANTS.—In making grants under subsection (a), the Secretary shall give preference to applicants that are based at, or have relationships with, entities providing comprehensive health services to individuals who are infected with the etiologic agent for acquired immune deficiency syndrome.

[(c) REQUIREMENT OF PROVISION OF INFORMATION ON PREVENTION.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that counseling provided pursuant to such subsection will include counseling relating to measures for the prevention of exposure to, and the transmission of, the etiologic agent for acquired immune deficiency syndrome.

[(d) AUTHORITY FOR TRAINING.—A grantee under subsection (a) may expend the grant to train individuals to provide the services described in such subsection.

[(e) REQUIREMENT OF IDENTIFICATION OF NEEDS AND OBJECTIVES.—The secretary may not make a grant under subsection (a) unless the applicant for the grant submits to the Secretary—

[(1) information demonstrating that the applicant has, with respect to mental health treatment related to the etiologic agent for acquired immune deficiency syndrome, identified the need for such treatment in the area in which the program will be developed, established, or expanded; and

[(2) a description of—

[(A) the objectives established by the applicant for the conduct of the program; and

[(B) the method the applicant will use to evaluate the activities conducted under the program and to determine the extent to which such objectives have been met.

[(f) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless—

[(1) an application for the grant is submitted to the Secretary;

[(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary;

[(3) the application contains the information required to be submitted under subsection (e); and

[(4) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

[(g) REQUIREMENT OF MINIMUM NUMBER OF GRANTS FOR FISCAL YEAR 1989.—Subject to the extent of amounts made available in appropriations Acts, the Secretary shall, for fiscal year 1989, make not less than 6 grants under subsection (a).

[(h) TECHNICAL ASSISTANCE AND ADMINISTRATIVE SUPPORT.—The Secretary, acting through the Director of the National Institute of Mental Health, may provide technical assistance and administrative support to grantees under subsection (a).

[(i) DEFINITION.—For purposes of this section, the term "mental health treatment" means individual, family or group services designed to alleviate distress, improve functional ability, or assist in changing dysfunctional behavior patterns.

[(j) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1989 through 1994.]

* * * * * * *

SEC. 535. [290cc–35] FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out [this part]; *section 521* there is authorized to be appropriated [$75,000,000 for each of the fiscal years 1991 through 1994.] *$29,000,000 for each of the fiscal years 1996 and 1997, and $50,000,000 for each of the fiscal years 1998 and 1999.*

SEC. 562. [290ff–1] REQUIREMENTS WITH RESPECT TO CARRYING OUT PURPOSE OF GRANTS.

(a) SYSTEMS OF COMPREHENSIVE CARE.—

* * * * * * *

(c) REQUIRED MENTAL HEALTH SERVICES OF SYSTEM.—A funding agreement for a grant under section 561(a) is that mental health services provided by a system of care under subsection (a) will include, with respect to a serious emotional disturbance in a child—

* * * * * * *

The Secretary may waive one or more of the requirements of the preceding sentence (for a public entity that is an Indian Tribe or tribal organization, or American Samoa, Guam, the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, or the United States Virgin Islands) if the Secretary determines, after peer review, that the system of care is family-centered and uses the least restrictive environment that is clinically appropriate.

* * * * * * *

SEC. 565. [29Off–4] GENERAL PROVISIONS.

(a) DURATION OF SUPPORT.—* * *

* * * * * * *

(f) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $100,000,000 for fiscal year 1993, [and] such sums as may be necessary for fiscal year 1994, *$60,000,000 for fiscal year 1996, and such sums as may be necessary for each of the 3 succeeding fiscal years.*

* * * * * * *

[Part F—Model Comprehensive Program for Treatment of Substance Abuse

[DEMONSTRATION PROGRAM IN NATIONAL CAPITAL AREA

[SEC. 571. [290gg] (a) IN GENERAL.—The Secretary, in collaboration with the Director of the Treatment Center, shall make a demonstration grant for the establishment, within the national capital area, of a model program for providing comprehensive treatment services for substance abuse.

[(b) PURPOSES.—The Secretary may not make a grant under subsection (a) unless, with respect to the comprehensive treatment services to be offered by the program under such subsection, the applicant for the grant agrees—

[(1) to ensure, to the extent practicable, that the program has the capacity to provide the services to all individuals who seek and would benefit from the services;

[(2) as appropriate, to provide education on obtaining employment and other matters with respect to assisting the individuals in preventing any relapse into substance abuse, including education on the appropriate involvement of parents and others in preventing such a relapse;

[(3) to provide services in locations accessible to substance abusers and, to the extent practicable, to provide services through mobile facilities;

[(4) to give priority to providing services to individuals who are intravenous drug abusers, to pregnant women, to homeless individuals, and to residents of publicly-assisted housing;

[(5) with respect to women with dependent children, to provide child care to such women seeking treatment services for substance abuse;

[(6) to conduct outreach activities to inform individuals of the availability of the services of the program;

[(7) to provide case management services, including services to determine eligibility for assistance under Federal, State, and local programs providing health services, mental health services, or social services;

[(8) to ensure the establishment of one or more offices to oversee the coordination of the activities of the program, to ensure that treatment is available to those seeking it, to ensure that the program is administered efficiently, and to ensure that the public is informed that the offices are the locations at which individuals may make inquiries concerning the program, including the location of available treatment services within the national capital area; and

[(9) to develop and utilize standards for certifying the knowledge and training of individuals, and the quality of programs, to provide treatment services for substance abuse.

[(c) CERTAIN REQUIREMENTS.—

[(1) REGARDING ELIGIBILITY FOR GRANT.—

[(A) The Secretary may not make the grant under subsection (a) unless the applicant involved is an organization of the general-purpose local governments within the national capital area, or another public or nonprofit private entity, and the applicant submits to the Secretary assurances satisfactory to the Secretary that, with respect to the communities in which services will be offered, the local governments of the communities will participate in the program.

[(B) The Secretary may not make the grant under subsection (a) unless—

[(i) an application for the grant is submitted to the Secretary;

[(ii) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

[(iii) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

[(2) AUTHORITY FOR COOPERATIVE AGREEMENTS.—The grantee under subsection (a) may provide the services required by such subsection directly or through arrangements with public and nonprofit private entities.

[(d) REQUIREMENT OF NON-FEDERAL CONTRIBUTIONS.—

[(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees, with respect to the costs to be incurred by the applicant in car-

rying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount not less than $1 for each $2 of Federal funds provided under the grant.

[(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

[(e) EVALUATIONS.—

[(1) BY SECRETARY.—The Secretary shall independently evaluate the effectiveness of the program carried out under subsection (a) and determine its suitability as a model for the United States, particularly regarding the provision of high quality, patient-oriented, coordinated and accessible drug treatment services across jurisdictional lines. The Secretary shall consider the extent to which the program has improved patient retention, accessibility of services, staff retention and quality, reduced patient relapse, and provided a full range of drug treatment and related health and human services. The Secretary shall evaluate the extent to which the program has effectively utilized innovative methods for overcoming the resistance of the residents of communities to the establishment of treatment facilities within the communities.

[(2) BY GRANTEE.—The Secretary may require the grantee under subsection (a) to evaluate any aspect of the program carried out under such subsection, and such evaluation shall, to the extent appropriate, be coordinated with the independent evaluation required in paragraph (1).

[(3) LIMITATION.—Funds made available under subsection (h) may not be utilized to conduct the independent evaluation required in paragraph (1).

[(f) REPORTS.—

[(1) INITIAL CRITERIA.—The Secretary shall make a determination of the appropriate criteria for carrying out the program required in subsection (a), including the anticipated need for, and range of, services under the program in the communities involved and the anticipated costs of the program. Not later than 90 days after the date of the enactment of the ADAMHA Reorganization Act, the Secretary shall submit to the Congress a report describing the findings made as a result of the determination.

[(2) ANNUAL REPORTS.—Not later than 2 years after the date on which the grant is made under subsection (a), and annually thereafter, the Secretary shall submit to the Congress a report describing the extent to which the program carried out under such subsection has been effective in carrying out the purposes of the program.

[(g) DEFINITION.—For purposes of this section, the term "national capital area" means the metropolitan Washington area, including the District of Columbia, the cities of Alexandria, Falls

Church, and Fairfax in the State of Virginia, the counties of Arlington and Fairfax in such State (and the political subdivisions located in such counties), and the counties of Montgomery and Prince Georges in the State of Maryland (and the political subdivisions located in such counties).

[(h) OBLIGATION OF FUNDS.—Of the amounts appropriated for each of the fiscal years 1993 and 1994 for the programs of the Department of Health and Human Services, the Secretary shall make available $10,000,000 for carrying out this section. Of the amounts appropriated for fiscal year 1995 for the programs of such Department, the Secretary shall make available $5,000,000 for carrying out this section.]

* * * * * * *

PART B—BLOCK GRANTS REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE

Subpart I—[Block] *Performance Partnership* Grants for Community Mental Health Services

[SEC. 1911. [300x–1] FORMULA GRANTS TO STATES.

[(a) IN GENERAL.— For the purpose described in subsection (b), the Secretary, acting through the Director of the Center for Mental Health Services, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1918. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the State submits to the Secretary an application in accordance with section 1917.

[(b) PURPOSE OF GRANTS.—A funding agreement for a grant under subsection (a) is that, subject to section 1916, the State involved will expend the grant only for the purpose of—

[(1) carrying out the plan submitted under section 1912(a) by the State for the fiscal year involved;

[(2) evaluating programs and services carried out under the plain; and

[(3) planning, administration, and educational activities related to providing services under the plan.

[SEC. 1912. [300x–2] STATE PLAN FOR COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CERTAIN INDIVIDUALS.

[(a) IN GENERAL.—The Secretary may make a grant under section 1911 only if—

[(1) the State involved submits to the Secretary a plan for providing comprehensive community mental health services to adults with a serious mental illness and to children with a serious emotional disturbance;

[(2) the plan meets the criteria specified in subsection (b); and

[(3) the plan is approved by the Secretary.

[(b) CRITERIA FOR PLAN.—With respect to the provision of comprehensive community mental health services to individuals who are either adults with a serious mental illness or children with a serious emotional disturbance, the criteria referred to in subsection (a) regarding a plan are as follows:

[(1) The plan provides for the establishment and implementation of an organized community-based system of care for such individuals.

[(2) The plan contains quantitative targets to be achieved in the implementation of such system, including the numbers of such individuals residing in the areas to be served under such system.

[(3) The plan describes available services, available treatment options, and available resources (including Federal, State and local public services and resources, and to the extent practicable, private services and resources) to be provided such individuals.

[(4) The plan describes health and mental health services, rehabilitation services, employment services, housing services, educational services, medical and dental care, and other support services to be provided to such individuals with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities, including services to be provided by local school systems under the Individuals with Disabilities Education Act.

[(5) The plan describes the financial resources and staffing necessary to implement the requirements of such plan, including programs to train individuals as providers of mental health services, and the plan emphasizes training of providers of emergency health services regarding mental health.

[(6) The plan provides for activities to reduce the rate of hospitalization of such individuals.

[(7)(A) Subject to subparagraph (B), the plan requires the provision of case management services to each such individual in the State who receives substantial amounts of public funds or services.

[(B) The plan may provide that the requirement of subparagraph (A) will not be substantially completed until the end of fiscal year 1993.

[(8) The plan provides for the establishment and implementation of a program of outreach to, and services for, such individuals who are homeless.

[(9) In the case of children with a serious emotional disturbance, the plan—

[(A) subject to subparagraph (B), provides for a system of integrated social services, educational services, juvenile services, and substance abuse services that, together with health and mental health services, will be provided in order for such children to receive care appropriate for their multiple needs (which system includes services provided under the Individuals with Disabilities Education Act);

[(B) provides that the grant under section 1911 for the fiscal year involved will not be expended to provide any service of such system other than comprehensive community mental health services; and

[(C) provides for the establishment of a defined geographic area for the provision of the services of such system.

[(10) The plan describes the manner in which mental health services will be provided to individuals residing in rural areas.

[(11) The plan contains an estimate of the incidence and prevalence in the State of serious mental illness among adults and serious emotional disturbance among children.

[(12) The plan contains a description of the manner in which the State intends to expend the grant under section 1911 for the fiscal year involved to carry out the provisions of the plan required in paragraphs (1) through (11).

[(c) DEFINITIONS REGARDING MENTAL ILLNESS AND EMOTIONAL DISTURBANCE; METHODS FOR ESTIMATE OF INCIDENCE AND PREVALENCE.—

[(1) ESTABLISHMENT BY SECRETARY OF DEFINITIONS; DISSEMINATION.—For purposes of this subpart, the Secretary shall establish definitions for the terms "adults with a serious mental illness" and "children with a serious emotional disturbance". The Secretary shall disseminate the definitions to the States.

[(2) STANDARDIZED METHODS.—The Secretary shall establish standardized methods for making the estimates required in subsection (b)(11) with respect to a State. A funding agreement for a grant under section 1911 for the State is that the State will utilize such methods in making the estimates.

[(3) DATE CERTAIN FOR COMPLIANCE BY SECRETARY.—Not later than 90 days after the date of the enactment of the ADAMHA Reorganization Act, the Secretary shall establish the definitions described in paragraph (1), shall begin dissemination of the definitions to the States, and shall establish the standardized methods described in paragraph (2).

[(d) REQUIREMENT OF IMPLEMENTATION OF PLAN.—

[(1) COMPLETE IMPLEMENTATION.—Except as provided in paragraph (2), in making a grant under section 1911 to a State for a fiscal year, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that a State has not completely implemented the plan, the Secretary shall reduce the amount of the allotment under section 1911 for the State for the fiscal year involved by an amount equal to 10 percent of the amount determined under section 1918 for the State for the fiscal year.

[(2) SUBSTANTIAL IMPLEMENTATION AND GOOD FAITH EFFORT REGARDING FISCAL YEAR 1993.—

[(A) In making a grant under section 1911 to a State for fiscal year 1993, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that the State has not substantially implemented the plan, the Secretary shall, subject to subparagraph (B), reduce the amount of the allotment under section 1911 for the State for such fiscal year by an amount equal to 10 percent of the amount determined under section 1918 for the State for the fiscal year.

[(B) In carrying out subparagraph (A), if the Secretary determines that the State is making a good faith effort to implement the plan required in subsection (a), the Sec-

retary may make a reduction under such subparagraph in an amount that is less than the amount specified in such subparagraph, except that the reduction may not be made in an amount that is less than 5 percent of the amount determined under section 1918 for the State for fiscal year 1993.

SEC. 1913. [300x–3] CERTAIN AGREEMENTS.

[(a) ALLOCATION FOR SYSTEMS OF INTEGRATED SERVICES FOR CHILDREN.—

[(1) IN GENERAL.—With respect to children with a serious emotional disturbance, a funding agreement for a grant under section 1911 is that—

[(A) in the case of a grant for fiscal year 1993, the State involved will expend not less than 10 percent of the grant to increase (relative to fiscal year 1992) funding for the system of integrated services described in section 1912(b)(9);

[(B) in the case of a grant for fiscal year 1994, the State will expend not less than 10 percent of the grant to increase (relative to fiscal year 1993) funding for such system; and

[(C) in the case of a grant for any subsequent fiscal year, the State will expend for such system not less than an amount equal to the amount expended by the State for fiscal year 1994.

[(2) WAIVER.—

[(A) Upon the request of a State, the Secretary may provide to the State a waiver of all or part of the requirement established in paragraph (1) if the Secretary determines that the State is providing an adequate level of comprehensive community mental health services for children with a serious emotional disturbance, as indicated by a comparison of the number of such children for which such services are sought with the availability in the State of the services.

[(B) The Secretary shall approve or deny a request for a waiver under subparagraph (A) not later than 120 days after the date on which the request is made.

[(C) Any waiver provided by the Secretary under subparagraph (A) shall be applicable only to the fiscal year involved.

[(b) PROVIDERS OF SERVICES.—A funding agreement for a grant under section 1911 for a State is that, with respect to the plan submitted under section 1912(a) for the fiscal year involved—

[(1) services under the plan will be provided only through appropriate, qualified community programs (which may include community mental health centers, child mental-health programs, psychosocial rehabilitation programs, mental health peer-support programs, and mental-health primary consumer-directed programs); and

[(2) services under the plan will be provided through community mental health centers only if the centers meet the criteria specified in subsection (c).

[(c) CRITERIA FOR MENTAL HEALTH CENTERS.—The criteria referred to in subsection (b)(2) regarding community mental health centers are as follows:

[(1) With respect to mental health services, the centers provide services as follows:

[(A) Services principally to individuals residing in a defined geographic area (hereafter in this subsection referred to as a "service area").

[(B) Outpatient services, including specialized outpatient services for children, the elderly, individuals with a serious mental illness, and residents of the service areas of the centers who have been discharged from inpatient treatment at a mental health facility.

[(C) 24-hour-a-day emergency care services.

[(D) Day treatment or other partial hospitalization services, or psychosocial rehabilitation services.

[(E) Screening for patients being considered for admission to State mental health facilities to determine the appropriateness of such admission.

[(2) The mental health services of the centers are provided, within the limits of the capacities of the centers, to any individual residing or employed in the service area of the center regardless of ability to pay for such services.

[(3) The mental health services of the centers are available and accessible promptly, as appropriate and in a manner which preserves human dignity and assures continuity and high quality care.]

SEC. 1911. PERFORMANCE PARTNERSHIP GOALS AND OBJECTIVES.

(a) GOALS.—

(1) IN GENERAL.—It is the goal of this subpart for the States and the Federal Government, working together in a partnership, to improve the quality of life of adults with a serious mental illness and children with a serious emotional disturbance, and to improve the overall mental health of United States citizens, by—

(A) promoting access to comprehensive community mental health services for adults with a serious mental illness and children with a serious emotional disturbance; and

(B) increasing the development of systems of integrated comprehensive community based services for adults with a serious mental illness and children with a serious emotional disturbance.

(2) SYSTEMS OF INTEGRATED COMPREHENSIVE COMMUNITY BASED SERVICES.—As used in paragraph (1)(B), the term 'systems of integrated comprehensive community based services' means integrated systems of care that would enable children and adults to receive care appropriate for their multiple needs. With respect to children, such integrated systems of care shall ensure the provision, in a collaborative manner, of mental health, substance abuse, education and special education, juvenile justice, health, and child welfare services. With respect to adults, such integrated systems of care shall ensure the provision, in a collaborative manner, of mental health, vocational re-

habilitation, housing, criminal justice, health, and substance abuse services.

(b) PERFORMANCE PARTNERSHIP OBJECTIVES.—

(1) ESTABLISHMENT.—Not later than October 1 of the fiscal year prior to the fiscal year in which this section becomes effective as provided for in section 601(c) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, the Secretary, in consultation with the States, local governments, Indian tribes, health care providers, consumers, and families, shall establish, and as necessary, periodically revise—

(A) a list of performance partnership objectives to carry out the goals of this subpart, and

(B) a core set of not more than five of such objectives that address mental health problems of national significance.

(2) REQUIREMENTS.—Each performance partnership objective established under paragraph (1) shall include—

(A) a performance indicator;

(B) the specific population being addressed;

(C) a performance target; and

(D) a date by which the target level is to be achieved.

(3) PRINCIPLES.—In establishing the performance partnership objectives under paragraph (1), the Secretary shall be guided by the following principles:

(A) The objectives should be closely related to the goals of this subpart, and be viewed as important by and understandable to State policymakers and the general public.

(B) Objectives should be results-oriented, including a suitable mix of outcome, process and capacity measures.

(C) In the case of an objective that has suitable outcome measures, measurable progress in achieving the objective should be expected over the period of the grant.

(D) In the case of an objective that has suitable process or capacity measures, such objective should be demonstrably linked to the achievement of, or demonstrate the potential to achieve, a mental health outcome.

(E) Data to track the objective should, to the extent practicable, be comparable for all grant recipients, meet reasonable statistical standards for quality, and be available in a timely fashion, at appropriate periodicity, and at reasonable cost.

(c) DEFINITIONS.—

(1) ESTABLISHMENT BY SECRETARY OF DEFINITIONS; DISSEMINATION.—For purposes of this subpart, the definitions established on May 20, 1993, for the terms "adults with a serious mental illness" and "children with a serious emotional disturbance" shall apply unless such definitions are revised by the Secretary. The Secretary shall disseminate the definitions to the States.

(2) STANDARDIZED METHODS.—The Secretary shall establish standardized methods for applying the definitions in paragraph (1). A funding agreement for a grant under this subpart for the State is that the State will utilize such methods in making such estimates.

(3) DATE CERTAIN FOR COMPLIANCE BY SECRETARY.—Not later than 90 days after the date of the enactment of this section, the Secretary shall establish the standardized methods described in paragraph (2).

SEC. 1912. STATE PERFORMANCE PARTNERSHIP PROPOSAL.

(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State shall, in accordance with this section, prepare and submit to the Secretary a performance partnership proposal.

(b) ELEMENTS RELATED TO PERFORMANCE OBJECTIVES.—A State proposal submitted under subsection (a) shall appropriately address the most significant mental health problems (as measured by applicable indicators) within the State and contain—

(1) a list of one or more objectives (derived from the performance partnership objectives established under section 1911(b)), including at least one objective in the children's area, toward which the State will work and a performance target for each objective which the State will seek to achieve by the end of the partnership period;

(2) a rationale for the State's selection of objectives, including any performance targets, and timeframes;

(3) a statement of the State's strategies for achieving the objectives over the course of the grant period and evidence that the actions taken under a partnership agreement will have an impact on the objective;

(4) a statement of the amount to be expended to carry out each strategy; and

(5) an assurance that the State will report annually on all core performance objectives established under section 1911(b)(1)(B) (regardless of whether it is working toward those objectives) and the specific objectives toward which the State will work under the performance partnership.

A State may select an objective that is not an established performance partnership objective under section 1911 if the objective relates to a significant mental health problem in the State that would not otherwise be appropriately addressed. The Secretary may require that objectives and requirements be developed by the State in a manner consistent with the requirements of paragraphs (2) and (3) of section 1911(b).

(c) TRANSITION PROVISION.—A State may select objectives under this section which have solely process or capacity measures until such time as data sets are determined by the Secretary to be readily available, sufficient, and relevant under section 601(a) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, to make outcome measurements for objectives developed by the Secretary.

[(a) IN GENERAL.—For purposes of section 1911, an application for a grant under such section for a fiscal year in accordance with this section if, subject to subsection (b)—

[(1) the State involved submits the application not later than the date specified by the Secretary as being the date after which applications for such a grant will not be considered (in any case in which the Secretary specifies such a date);**]**

* * * * * * *

(d) ADDITIONAL ELEMENTS.—A State proposal is in accordance with this subsection if—

[(2)**]** *(1)* The **[**application**]** *proposal* contains each funding agreement that is described in this subpart or subpart III for such a grant (other than any such agreement that is not applicable to the State);

[(3)**]** *(2)* the *proposed performance partnership and* agreements are made through certification from the chief executive officer of the State;

[(4)**]** *(3)* with respect to such agreements, the **[**application**]** *proposal* provides assurances of compliance satisfactory to the Secretary;

[(5)**]** *(4)* **[**the application contains the plan required in section 1912(a),**]** the information required in section 1915(b)(3)(B), and the report required in section 1942(a);

[(6)**]** *(5)* the **[**application**]** *proposal* contains recommendations in compliance with section 1915(a), or if no such recommendations are received by the Senate, the application otherwise demonstrates compliance with such section; and

[(7)**]** *(6)* the **[**application**]** *proposal* **[**(including the plan under section 1912(a))**]** is otherwise in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.

SEC. 1913. FEDERAL-STATE PERFORMANCE PARTNERSHIP.

(a) APPROVAL OF STATE PROPOSAL.—With respect to a State that submits a proposal in accordance with section 1912, the Secretary, upon a determination that the State meets the requirements of such section, shall approve the State proposal for a performance partnership under which the State shall expend amounts received under a grant provided for under this subpart.

(b) PARTNERSHIP PERIOD.—The Secretary, in consultation with a State receiving a grant under this subpart, shall set the duration of the partnership with the State. Initial and subsequent partnership periods shall not be less than 3 nor more than 5 years, except that the Secretary may agree to a partnership period of less than 3 years where a State demonstrates to the satisfaction of the Secretary that such shorter period is appropriate in light of the particular circumstances of that State.

(c) ASSESSMENT AND ADJUSTMENT.—

(1) ASSESSMENTS.—The Secretary shall annually assess—

(A) the progress achieved nationally toward each of the core objectives established under section 1911(b)(1)(B); and

(B) in consultation with each State, the progress of the State toward each objective agreed upon in the performance partnership under subsection (a);

and make such assessment publicly available.

(2) STATE ASSESSMENTS.—In carrying out paragraph (1)(B), the Secretary shall take into consideration such qualitative assessments of performance as may be provided by each State pursuant to section 1942(a)(3).

(3) ADJUSTMENTS.—With respect to a performance partnership under subsection (a), the Secretary and the State may at any time in the course of the partnership period renegotiate,

and revise by mutual agreement, the elements of the partnership to account for new information or changed circumstances (including information or changes identified during assessments under paragraph (1)).

(d) GRANTS TO STATES; USE OF FUNDS.—

(1) GRANTS.—The Secretary shall award a grant to each State that—

(A) has reached a performance partnership agreement with the Secretary under subsection (a); and

(B) is carrying out activities in accordance with the terms of such partnership;

in an amount that is equal to the allotment of the State under section 1918. Grants shall be awarded for each fiscal year for which the partnership is in effect.

(2) USE OF FUNDS.—Funds paid to a State under a grant described in paragraph (1) may be used by the State only for the purpose of carrying out this subpart (including related data collection, evaluation, planning, administration, and educational activities).

[(b)] *(e)* WAIVERS REGARDING CERTAIN TERRITORIES.—In the case of any territory of the United States whose allotment under section 1911 for the fiscal year is the amount specified in section 1918(c)(2)(B), the Secretary may waive such provisions of this subpart and subpart III as the Secretary determines to be appropriate, other than the provisions of section 1916.

SEC. 1914. [300x–4] STATE MENTAL HEALTH PLANNING COUNCIL.

* * * * * * *

(b) DUTIES.—A condition under subsection (a) for a Council is that the duties of the Council are—

(1) to review [plans] *performance partnerships* provided to the Council pursuant to section 1915(a) by the State involved and to submit to the State any recommendations of the Council for modifications to the [plans] *performance partnerships*;

SEC. 1915. [300x–4] ADDITIONAL PROVISIONS.

(a) REVIEW OF STATE [PLAN] *PERFORMANCE PARTNERSHIP* BY MENTAL HEALTH PLANNING COUNCIL.—The Secretary may make a grant under section 1911 to a State only if—

(1) the plan submitted under section 1912(a) with respect to the grant *(and the report of the State under section 1942(a) concerning the preceding fiscal year)* has been reviewed by the State mental health planning council under section 1914; and

(2) the State submits to the Secretary any recommendations received by the State from such council for modifications to the [plan] *performance partnerships* (without regard to whether the State has made the recommended modifications).

(b) MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES FOR MENTAL HEALTH.—

(1) IN GENERAL.—* * *

* * * * * * *

(3) NONCOMPLIANCE BY STATE.—

(A) In making a grant under section 1911 to a State for a fiscal year, the Secretary shall make a determination of

whether, for the previous fiscal year, the State maintained material compliance with the agreement made under paragraph (1). [If the Secretary determines that a State has failed to maintain such compliance, the Secretary shall reduce the amount of the allotment under section 1911 for the State for the fiscal year for which the grant is being made by an amount equal to the amount constituting such failure for the previous fiscal year.] *If the Secretary determines that a State has failed to maintain such compliance, the Secretary may permit the State, not later than 1 year after notification, to correct or mitigate the noncompliance. If the State does not carry out a correction or mitigation as specified by the Secretary (or if the Secretary decided it was not appropriate to provide that opportunity), the Secretary shall reduce the amount of the grant under this subpart for the State for the current fiscal year by an amount equal to the amount constituting such failure.*

SEC. 1916. [300x–5] RESTRICTIONS ON USE OF PAYMENTS.

(a) IN GENERAL.—A funding agreement for a grant under section 1911 is that the State involved will not expand the grant—

(1) * * *

* * * * * * *

(5) to provide financial assistance to any entity other than a public or nonprofit private entity *unless the State determines that it is appropriate and beneficial for a for-profit private entity to receive assistance to facilitate the integration of the State Medicaid program or mental health managed care programs under title XIX of the Social Security Act).*

* * * * * * *

[SEC. 1917. [300x–6] APPLICATION FOR GRANT.]

* * * * * * *

SEC. 1919. [300x–8] DEFINITIONS.

For purposes of this subpart:

(1) * * *

* * * * * * *

(3) The term ''performance indicator'' means a quantifiable characteristic used as a measurement.

(4) The term ''performance target'' means a numerical value sought to be achieved within a specified period of time.

* * * * * * *

SEC. 1920. [300x–9] FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, and subpart III and section 505 with respect to mental health, there are authorized to be appropriated [$45,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.] *$280,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal year 1997 through 1999.*

[(b) ALLOCATIONS FOR TECHNICAL ASSISTANCE, DATA COLLECTION, AND PROGRAM EVALUATION.—

[(1) IN GENERAL.—For the purpose of carrying out section 1948(a) with respect to mental health and the purposes specified in paragraphs (2) and (3), the Secretary shall obligate 5 percent of the amounts appropriated under subsection (a) for a fiscal year.

[(2) DATA COLLECTION.—The purpose specified in this paragraph is carrying out section 505 with respect to mental health.

[(3) PROGRAM EVALUATION.—The purpose specified in this paragraph is the conduct of evaluations of prevention and treatment programs and services with respect to mental health to determine methods for improving the availability and quality of such programs and services.]

(b) RESERVED FUNDS.—

(1) IN GENERAL.—The Secretary shall reserve 5 percent of the amounts appropriated for a fiscal year under subsection (a)—

(A) to carry out sections 505 (providing for data collection) and 1948(a) (providing for technical assistance to States) with respect to mental health; and

(B) to conduct evaluations concerning programs supported under this subpart.

The Secretary may carry out activities funded pursuant to this subsection directly, or through grants, contracts, or cooperative agreements.

(2) DATA COLLECTION INFRASTRUCTURE.—In carrying out this subsection, the Secretary shall make available grants and contracts to States for the development and strengthening of State core capacity (including infrastructure) for data collection and evaluation.

Subpart II—[Block] *Performance Partnership* Grants for Prevention and Treatment of Substance Abuse

[SEC. 1921. [300x–21] FORMULA GRANTS TO STATES.

[(a) IN GENERAL.—For the purpose described in subsection (b), the Secretary, acting through the Center for Substance Abuse Treatment, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1933. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the State submits to the Secretary and application in accordance with section 1932.

[(b) AUTHORIZED ACTIVITIES.—A funding agreement for a grant under subsection (a) is that, subject to section 1931, the State involved will expend the grant only for the purpose of planning, carrying out, and evaluating activities to prevent and treat substance abuse and for related activities authorized in section 1924.]

SEC. 1921. PERFORMANCE PARTNERSHIP GOALS AND OBJECTIVES.

(a) GOALS.—It is the goal of this subpart for the States and the Federal Government, working together in a partnership—

(1) to reduce the incidence and prevalence of substance abuse and dependence;

(2) to improve access to appropriate prevention and treatment programs for targeted populations;

(3) to enhance the effectiveness of substance abuse prevention and treatment programs; and

(4) to reduce the personal and community risks for substance abuse.

(b) PERFORMANCE PARTNERSHIP OBJECTIVES.—

(1) ESTABLISHMENT.—Not later than October 1 of the fiscal year prior to the fiscal year in which this section becomes effective as provided for in section 601(c) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, the Secretary, in consultation with the States, local governments, Indian tribes, providers, and consumers, and in accordance with paragraph (4), shall establish, and as necessary, periodically revise—

(A) a list of performance partnership objectives to carry out the goals of this subpart;

(B) a core set of not more than five of such objectives that address substance abuse problems of national significance; and

(C) a list of proxy objectives that are consistent with the intent of the requirements described in section 601(c)(4)(C) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, and that may, at the option of the State, be implemented in place of such requirements.

(2) REQUIREMENTS.—Each performance partnership objective established under paragraph (1) shall include—

(A) a performance indicator;

(B) the specific population being addressed;

(C) a performance target; and

(D) a date by which the target level is to be achieved.

(3) PRINCIPLES.—In establishing the performance partnership objectives under paragraph (1), the Secretary shall be guided by the following principles:

(A) The objectives should be closely related to the goals of this subpart, and be viewed as important by and understandable to State policymakers and the general public.

(B) Objectives should be results-oriented, including a suitable mix of outcome, process and capacity measures.

(C) In the case of an objective that has suitable outcome measures, measurable progress in achieving the objective should be expected over the period of the grant.

(D) In the case of an objective that has suitable process or capacity measures, such objective should be demonstrably linked to the achievement of, or demonstrate a potential to achieve, a substance abuse treatment outcome.

(E) Data to track the objective should, to the extent practicable, be comparable for all grant recipients, meet reasonable statistical standards for quality, and be available in a timely fashion, at appropriate periodicity, and at reasonable cost.

SEC. 1921A. STATE PERFORMANCE PARTNERSHIP PROPOSAL.

(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State shall, in accordance with this section, prepare and

submit to the Secretary a performance partnership proposal in accordance with the provisions of this subpart.

(b) ELEMENTS RELATED TO PERFORMANCE OBJECTIVES.—A State proposal submitted under subsection (a) shall appropriately address the most significant health problems associated with substance abuse (as measured by applicable indicators) within the State and contain—

(1) a list of one or more objectives (derived from the performance partnership objectives specified under section 1921(b)) toward which the State will work and a performance target for each objective which the State will seek to achieve by the end of the partnership period;

(2) a rationale for the State's selection of objectives, including any performance targets, and timeframes;

(3) a statement of the State's strategies for achieving the objectives over the course of the grant period and evidence that the actions taken under a partnership agreement will have an impact on the objective;

(4) a statement of the amount to be expended to carry out each strategy; and

(5) an assurance that the State will report annually on all core performance objectives established under section 1921(b)(1)(B) (regardless of whether it is working toward those objectives) and the specific objectives toward which the State will work under the performance partnership.

A State may select an objective that is not an established performance partnership objective under section 1921 if the objective relates to a significant health problem related to substance abuse in the State that would not otherwise be addressed appropriately. The Secretary may require that objectives developed by the State under this subsection be consistent with the requirements of paragraphs (2) and (3) of section 1921(b).

(c) TRANSITION PROVISION.—A State may select objectives under this section which solely have process or capacity measures until such time as data sets are determined by the Secretary to be readily available, sufficient, and relevant under section 601(a) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, to make outcome measurements for objectives developed by the Secretary.

[(a) IN GENERAL.—For purposes of **[**section 192**]** *this subpart*, an application for a grant under such section for a fiscal year is in accordance with this section if, subject to subsections (c) and (d)(2)—

[(1) the State involved submits the application not later than the date specified by the Secretary;**]**

* * * * * * *

(d) ADDITIONAL ELEMENTS.—A State proposal is in accordance with this subsection if—

[(2)**]** *(1)* **[**application**]** *proposal* contains each funding agreement that is described in this subpart or subpart III for such a grant (other than any such agreement that is not applicable to the State);

[(3)**]** *(2)* the *proposed performance partnership and* agreements are made through certification from the chief executive officer of the State;

[(4)] *(3)* with respect to such agreements, the [application] *proposal* provides assurances of compliance satisfactory to the Secretary;

[(7)] *(4)* the [application] *proposal* [(including the plan under paragraph (6))] is otherwise in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.

SEC. 1921B. FEDERAL-STATE PERFORMANCE PARTNERSHIP.

(a) APPROVAL OF STATE PROPOSAL.—With respect to a State that submits a proposal in accordance with section 1921A, the Secretary, upon a determination that the State meets the requirements of such section, shall approve the State proposal for a performance partnership under which the State shall expend amounts received under a grant provided for under this subpart.

(b) PARTNERSHIP PERIOD.—The Secretary, in consultation with a State receiving a grant under this subpart, shall set the duration of the partnership with the State. Initial and subsequent partnership periods shall not be less than 3 nor more than 5 years, except that the Secretary may agree to a partnership period of less than 3 years where a State demonstrates to the satisfaction of the Secretary that such shorter period is appropriate in light of the particular circumstances of that State.

(c) ASSESSMENT AND ADJUSTMENT.—

(1) ASSESSMENTS.—The Secretary shall annually assess—

(A) the progress achieved nationally toward each of the core objectives established under section 1921(b)(1)(B); and

(B) in consultation with each State, the progress of the State toward each objective agreed upon in the performance partnership under subsection (a);

and make such assessment publicly available.

(2) STATE ASSESSMENTS.—In carrying out paragraph (1)(B), the Secretary shall take into consideration such qualitative assessments of performance as may be provided by each State pursuant to section 1942(a)(3).

(3) ADJUSTMENTS.—With respect to a performance partnership under subsection (a), the Secretary and the State may at any time in the course of the partnership period renegotiate, and revise by mutual agreement, the elements of the partnership to account for new information or changed circumstances (including information or changes identified during assessments under paragraph (1)).

(d) GRANTS TO STATES; USE OF FUNDS.—

(1) GRANTS.—The Secretary shall award a grant to each State that—

(A) has reached a performance partnership agreement with the Secretary under subsection (a); and

(B) is carrying out activities in accordance with the terms of such partnership;

in an amount that is equal to the allotment of the State under section 1933. Grants shall be awarded for each fiscal year for which the partnership is in effect.

(2) USE OF FUNDS.—Funds paid to a State under a grant described in paragraph (1) may be used by the State only for the

purpose of carrying out this subpart (including related data collection, evaluation, planning, administration, and educational activities).

* * * * * * *

[(c)] *(e)* WAIVERS REGARDING CERTAIN TERRITORIES.—In the case of any territory of the United States whose allotment under [section 1921] *this subpart* for the fiscal year is the amount specified in section 1933(c)(2)(B), the Secretary may waive such provisions of this subpart and subpart III as the Secretary determines to be appropriate, other than the provisions of section 1931.

SEC. 1922. [300x–22] CERTAIN ALLOCATIONS.

[(a) ALLOCATIONS REGARDING ALCOHOL, AND OTHER DRUGS.—A funding agreement for a grant under [section 1921] *this subpart* is that, in expending the grant, the State involved will expend—

[(1) not less than 35 percent for prevention and treatment activities regarding alcohol; and

[(2) not less than 35 percent for prevention and treatment activities regarding other drugs.]

[(b)] *(a)* ALLOCATION REGARDING PRIMARY PREVENTION PROGRAMS.—A funding agreement for a grant under [section 1921] *this subpart* is that, in expending the grant, the State involved—

[(1) will expend not less than 20 percent for programs for individuals who do not require treatment for substance abuse, which programs—

[(A) educate and counsel the individuals on such abuse; and

[(B) provide for activities to reduce the risk of such abuse by the individuals;]

* * * * * * *

(1) IN GENERAL.—A funding agreement for a grant under section 1921 for a fiscal year is that in the case of a grant for fiscal year 1996, or a subsequent fiscal year, the State will expend not less than an amount equal to the amount expended by the State for fiscal year 1995 to increase the availability of treatment services designed for pregnant women and women with dependent children (either by establishing new programs or expanding the capacity of existing programs).

[(c)] *(b)* ALLOCATIONS REGARDING WOMEN.—

[(1) IN GENERAL.—Subject to paragraph (2), a funding agreement for a grant under [section 1921] *this subpart* for a fiscal year is that—

* * * * * * *

(3) CHILDCARE AND PRENATAL CARE.—A funding agreement for a grant under [section 1921] *this subpart* for a State is that each entity providing treatment services with amounts reserved under paragraph (1) by the State will, directly or through arrangements with other public or nonprofit private entities, make available prenatal care to women receiving such services and, while the women are receiving the services, childcare.

(4) INSUFFICIENT AMOUNTS.—If the Secretary determines that, as a result of a reduction in the amount of Federal funds pro-

vided to State under this subpart, a State will be unable to meet the requirement of paragraph (1), the Secretary shall permit the State to prorate amounts provided under such paragraph based on the amount provided to the State under this subpart in fiscal year 1995.

Note: Sec. 1922(b) shall be repealed on the date referred to in Sec. 601(c).

SEC. 1923. [300x–23] INTRAVENOUS SUBSTANCE ABUSE.

(a) CAPACITY OF TREATMENT PROGRAMS.—

(1) NOTIFICATION OF REACHING CAPACITY.—A funding agreement for a grant under [section 1921] *this supbaprt* is that the State involved will, in the case of programs of treatment for intravenous drug abuse, require that any such program receiving amounts from the grant, upon reaching 90 percent of its capacity to admit individuals to the program, provide to the State a notification of such fact.

(2) PROVISION OF TREATMENT.—A funding agreement for a grant under [section 1921] *this supbaprt* is that the State involved will, with respect to notifications under paragraph (1), ensure that each individual who requests and is in need of treatment for intravenous drug abuse is admitted to a program of such treatment not later than—

* * * * * * *

(b) OUTREACH REGARDING INTRAVENOUS SUBSTANCE ABUSE.—A funding agreement for a grant under [section 1921] *this supbaprt* is that the State involved, in providing amounts from the grant to any entity for treatment services for intravenous drug abuse, will require the entity to carry out activities to encourage individuals in need of such treatment to undergo treatment.

Note: Sec. 1923 shall be repealed on the date referred to in Sec. 601(c).

SEC. 1924. [300x–24] REQUIREMENTS REGARDING TUBERCULOSIS AND HUMAN IMMUNODEFICIENCY VIRUS.

(a) TUBERCULOSIS.—

[(1) IN GENERAL.—A funding agreement for a grant under [section 1921] *this supbaprt* is that the State involved will require that any entity receiving amounts from the grant for operating a program of treatment for substance abuse—

[(A) will, directly or through arrangements with other public or nonprofit private entities, routinely make available tuberculosis services to each individual receiving treatment of such abuse; and

[(B) in the case of an individual in need of such treatment who is denied admission to the program on the basis of the lack of the capacity of the program to admit the individual, will refer the individual to another provider of tuberculosis services.]

(1) IN GENERAL.—A funding agreement for a grant under section 1921 is that the State involved will—

(A)(i) directly or through arrangements with other public or nonprofit private entities, ensure that activities are routinely carried out under subparagraphs (a) and (B) of paragraph (2); and

(ii) ensure that arrangements are made with other public or nonprofit private entities to make available tuberculosis services, including services under subparagraphs (C) and (D) of paragraph (2), to each individual receiving treatment for substance abuse under this subpart; and

(B) require that any entity receiving amounts from the grant for operating a program of treatment for substance abuse, in the case of an individual in need of such treatment who is denied admission to the program on the basis of the lack of the capacity of the program to admit the individual, will refer the individual to another provider of tuberculosis services.

Nothing in subparagraph (A)(ii) shall be construed to require that the State expend funds under this Act to make available such services.

(2) TUBERCULOSIS SERVICES.—For purposes of paragraph (1), the term "tuberculosis services", with respect to an individual, means)

(A) counseling the individual with respect to tuberculosis;

[(B) testing to determine whether the individual has contracted such disease and testing to determine the form of treatment for the disease that is appropriate for the individual; and]

(B) tuberculosis testing, based on the risk assessment conducted by the State, to determine whether the individual has contracted such disease, such testing to be based on usual standards as determined to be appropriate by the State health director in cooperation with State and local health agencies for tuberculosis and with other relevant private nonprofit entities;

(C) testing to determine the form of treatment for the disease that is appropriate for the individual; and

(3) COUNSELING.—For purposes of paragraph (2), the term "counseling" with respect to an individual means—

(A) the provision of information to individuals or communities about risk factors for tuberculosis; and

(B) conducting tuberculosis risk assessments to determine if tuberculosis testing is required.

[(C)] *(D)* providing such treatment to the individual.

(b) HUMAN IMMUNODEFICIENCY VIRUS.—

(1) REQUIREMENT FOR CERTAIN STATES.—In the case of a State described in paragraph (2), a funding agreement for a grant under [section 1921] *this subpart* is that—

(A) with respect to individuals undergoing treatment for substance abuse, the State will, subject to paragraph (3), carry out 1 or more projects to *routinely* make available to the individuals early intervention services for HIV disease at the sites at which the individuals are undergoing such treatment;

* * * * * * *

(2) DESIGNATED STATES.—For purposes of this subsection, a State described in this paragraph is any State whose rate of cases of acquired immune deficiency syndrome is [10] *15* or

more such cases per 100,000 individuals (as indicated by the number of such cases reported to and confirmed by the Director of the Centers for Disease Control for the most recent calendar year for which such data are available).

(3) USE OF EXISTING PROGRAMS REGARDING SUBSTANCE ABUSE.—With respect to programs that provide treatment services for substance abuse, a funding agreement for a grant under [section 1921] *this subpart* for a designated State is that each such program participating in a project under paragraph (1) will be a program that began operation may participate in a project under paragraph (1) without regard to whether the program has been providing early intervention services for HIV disease.

(4) APPLICABLE PERCENTAGE REGARDING EXPENDITURES FOR SERVICES.—

(A)(i) For purposes of paragraph (1)(B), the percentage that is applicable under this paragraph for a designated State is, subject to subparagraph (B), the percentage by which the amount of the grant under [section 1921] *this subpart* for the State for the fiscal year involved is an increase over the amount specified in clause (ii).

* * * * * * *

(5) REQUIREMENT REGARDING RURAL AREAS.—

(A) A funding agreement for a grant under [section 1921] *this subpart* for a designated State is that, if the State will carry out 2 or more projects under paragraph (1), the State will carry out 1 such project in a rural area of the State, subject to subparagraph (B).

* * * * * * *

(6) MANNER OF PROVIDING SERVICES.—With respect to the provision of early intervention services for HIV disease to an individual, a funding agreement for a grant under [section 1921] *this subpart* for a designated State is that—

* * * * * * *

(7) DEFINITIONS.—For purposes of this subsection:

(A) The term "designated State" means a State described in paragraph (2).

(B) The term "early intervention services", with respect to HIV disease, means—

(i) appropriate pretest counseling;

(ii) testing individuals with respect to such disease, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system, and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from the disease, *such testing to be based on usual standards as determined to be appropriate by the State health director in cooperation with State and local health agencies*

for HIV and with other relevant private nonprofit entities; and;

* * * * * * *

(c) EXPENDITURE OF GRANT FOR COMPLIANCE WITH [AGREEMENTS] *PARTNERSHIPS*.—

(1) IN GENERAL.—A grant under [section 1921] *this subpart* may be expended for purposes of compliance with the [agreements] *partnerships* required in this section, subject to paragraph (2).

* * * * * * *

(2) LIMITATION.—A funding agreement for a grant under [section 1921] *this subpart* for a State is that the grant will not be expended to make payment for any service provided for purposes of compliance with this section to the extent that payment has been made, or can reasonably be expected to be made, with respect to such service—

* * * * * * *

(d) MAINTENANCE OF EFFORT.—With respect to services provided for by a State for purposes of compliance with this section, a funding agreement for a grant under [section 1921] *this subpart* is that the State will maintain expenditures of non-Federal amounts for such services at a level that is not less than average level of such expenditures maintained by the State for 2-year period preceding the first fiscal year for which the State receives such a grant.

* * * * * * *

(f) PAYOR OF LAST RESORT.—Amounts made available under this section may only be used as a payment of last resort for tuberculosis and may not be used for the medical evaluation and treatment of such disease.

Note: Sec. 1924 shall be repealed on the date referred to in Sec. 601(c).

SEC. 1925. [800x–25] GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS.

(a) STATE REVOLVING FUNDS FOR ESTABLISHMENT OF HOMES.—[For fiscal year 1993 and subsequent fiscal years, the Secretary may make a grant under [section 1921] *this subpart* only if the State involved has established, and is providing for the ongoing operation of, a revolving fund as follows:] *Except as provided in subsection (d), for each of the fiscal years 1996 through 1999, the Secretary may make a grant under section 1921 only if the State involved has established and is providing for the ongoing operation of a revolving fund as follows:*

* * * * * * *

(d) NONAPPLICATION OF SECTION.—

(1) IN GENERAL.—The requirements of this section shall not apply to a State that is not, as of the date of enactment of this subsection, utilizing a revolving fund under this section. Such a State shall be required to maintain such a fund after such date of enactment.

(2) USE OF FUNDS.—A State described in paragraph (1), may use amounts set aside under this section, or amounts remaining in the revolving fund, to provide other services under this part.

SEC. 1926. [300x–26] STATE LAW REGARDING SALE OF TOBACCO PRODUCTS TO INDIVIDUALS UNDER AGE OF 18.

(a) RELEVANT LAW.—

(1) IN GENERAL.—Subject to paragraph (2), for fiscal year 1994 and subsequent fiscal years, the Secretary may make a grant under [section 1921] *this subpart* only if the State involved has in effect a law providing that it is unlawful for any manufacturer, retailer, or distributor of tobacco products to sell or distribute any such product to any individual under the age of 18.

(2) DELAYED APPLICABILITY FOR CERTAIN STATES.—In the case of a State whose legislature does not convene a regular session in fiscal year 1993, and in the case of a State whose legislature does not convene a regular session in fiscal year 1994, the requirement described in paragraph (1) as a condition of a receipt of a grant under [section 1921] *this subpart* shall apply only for fiscal year 1995 and subsequent fiscal years.

(b) ENFORCEMENT.—

(1) IN GENERAL.—For the first applicable fiscal year and for subsequent fiscal years, a funding agreement for a grant under [section 1921] *this subpart* is that the State involved will enforce this law described in subsection (a) in a manner that can reasonably be expected to reduce the extent to which tobacco products are available to individuals under the age of 18.

* * * * * * *

(c) NONCOMPLIANCE OF STATE.—Before making a grant under [section 1921] *this subpart* to a State for the first applicable fiscal year or any subsequent fiscal year, the Secretary shall make a determination of whether the State has maintained compliance with subsections (a) and (b). If, after notice to the State and an opportunity for a hearing, the Secretary determines that the State is not in compliance with such subsections, the Secretary shall reduce the amount of the allotment under such section for the State for the fiscal year involved by an amount equal to—

(1) in the case of the first applicable fiscal year [10] *5* percent of the amount determined under section 1933 for the State for the fiscal year;

(2) in the case of the first fiscal year following such applicable fiscal year, *10* [20] percent of the amount determined under section 1933 for the State for the fiscal year.

(3) in the case of the second such fiscal year, [30] *15* percent of the amount determined under section 1933 for the State for the fiscal year; and

(4) in the case of the third such fiscal year or any subsequent fiscal year [40] *20* percent of the amount determined under section 1933 for the State for the fiscal year.

SEC. 1927. [300x–27] TREATMENT SERVICES FOR PREGNANT WOMEN.

(a) IN GENERAL.—A funding agreement for a grant under [section 1921] *this subpart* is that the State involved—

* * * * * * *

(b) REFERRALS REGARDING STATES.—A funding agreement for a grant under [section 1921] *this subpart* is that, in carrying out subsection (a)(1)—

* * * * * * *

SEC. 1928. [300x–28] ADDITIONAL AGREEMENTS.

[(a) IMPROVEMENT OF PROCESS FOR APPROPRIATE REFERRALS FOR TREATMENT.—With respect to individuals seeking treatment services, a funding agreement for a grant under [section 1921] *this subpart* is that the State involved will improve (relative to fiscal year 1992) the process in the State for referring the individuals to treatment facilities that can provide to the individuals the treatment modality that is most appropriate for the individuals.]

[(b)] *(a)* CONTINUING EDUCATION.—With respect to any facility for treatment services or prevention activities that is receiving amounts from a grant under [section 1921] *this subpart,* a funding agreement for a State for a grant under such section is that continuing education in such services or activities (or both, as the case may be) will be made available to employees of the facility who provide the services or activities.

[(c)] *(b)* COORDINATION OF VARIOUS ACTIVITIES AND SERVICES.—A funding agreement for a grant under [section 1921] *this subpart* is that the State involved will coordinate prevention and treatment activities with the provision of other appropriate services (including health, social, correctional and criminal justice, educational, vocational rehabilitation, and employment services).

[(d) WAIVER OF REQUIREMENT.—

[(1) IN GENERAL.—Upon the request of a State, the Secretary may provide to a State a waiver of any or all of the requirements established in this section if the Secretary determines that, with respect to services for the prevention and treatment of substance abuse, the requirement involved is unnecessary for maintaining quality in the provision of such services in the State.

[(2) DATE CERTAIN FOR ACTING UPON REQUEST.—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

[(3) APPLICABILITY OF WAIVER.—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.]

* * * * * * *

SEC. 1929. [300x–29] SUBMISSION TO SECRETARY OF STATEWIDE ASSESSMENT OF NEEDS.

The Secretary may make a grant under [section 1921] *this subpart* only if the State submits to the Secretary an assessment of the need in the State for authorized activities (which assessment is conducted in accordance with criteria issued by the Secretary), both by locality and by the State in general, which assessment includes a description of—

* * * * * * *

Note: Sec. 1929 shall be repealed on the date referred to in Sec. 601(c).

SEC. 1930. [300x–30] MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES.

(a) IN GENERAL.—With respect to the principal agency of a State for carrying out authorized activities, a funding agreement for a grant under [section 1921] *this subpart* for the State for a fiscal year is that such agency will for such year maintain aggregate State expenditures for authorized activities at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying for the grant.

* * * * * * *

(c) NONCOMPLIANCE BY STATE.—

(1) IN GENERAL.—In making a grant under [section 1921] *this subpart* to a State for a fiscal year, the Secretary shall make a determination of whether, for the previous fiscal year, the State maintained material compliance with any agreement made under subsection (a). [If the Secretary determines that a State has failed to maintain such compliance, the Secretary shall reduce the amount of the allotment under section 1921 for the State for the fiscal year for which the grant is being made by an amount equal to the amount constituting such failure for the previous fiscal year.] *If the Secretary determines that a State has failed to maintain such compliance, the Secretary may permit the State, not later than 1 year after notification, to correct or mitigate the noncompliance. If the State does not carry out a correction or mitigation as specified by the Secretary (or if the Secretary decided it was not appropriate to provide that opportunity), the Secretary shall reduce the amount of the grant under this subpart for the State for the current fiscal year by an amount equal to the amount constituting such failure.*

(2) SUBMISSION OF INFORMATION TO SECRETARY.—The Secretary may make a grant under [section 1921] *this subpart* for a fiscal year only if the State involved submits to the Secretary information sufficient for the Secretary to make the determination required in paragraph (1).

SEC. 1931. [300x–31] RESTRICTIONS ON EXPENDITURE OF GRANT.

(a) IN GENERAL.—

(1) CERTAIN RESTRICTIONS.—A funding agreement for a grant under [section 1921] *this subpart* is that the State involved will not expend the grant—

(A) * * *

* * * * * * *

(E) to provide financial assistance to any entity other than a public or nonprofit private entity, *unless the State determines that it is appropriate and beneficial for a for-profit private entity to receive assistance to facilitate the integration of the State Medicaid program or substance abuse managed care programs under title XIX of the Social Security Act;* or

* * * * * * *

(2) LIMITATION ON ADMINISTRATIVE EXPENSES.—A funding agreement for a grant under [section 1921] *this subpart* is that the State involved will not expend more than 5 percent of the grant to pay the costs of administering the grant.

(3) LIMITATION REGARDING PENAL AND CORRECTIONAL INSTITUTIONS.—A funding agreement for a State for a grant under [section 1921] *this subpart* is that, in expending the grant for the purpose of providing treatment services in penal or correctional institutions of the State, the State will not expend more than an amount equal to the amount expended for such purpose by the State from the grant made under section 1912A to the State for fiscal year 1991 (as section 1912A was in effect for such fiscal year).

(4) FOR-PROFIT RESTRICTIONS.—For purposes of providing assistance to a for-profit entity under paragraph (1)(E), the State shall ensure that—

(A) such an entity is certified or licensed by the State;

(B) all profits earned by such entity as a result of assistance provided under this subpart are redistributed by the entity to the community served by the entity for the provision of treatment or prevention services; and

(C) in the case of an entity that is a private for-profit entity, such entity is the only available provider of substance abuse treatment in the area served.

(b) EXCEPTION REGARDING INPATIENT HOSPITAL SERVICES.—

(1) MEDICAL NECESSITY AS PRECONDITION.—With respect to compliance with the agreement made under subsection (a), a State may expend a grant under [section 1921] *this subpart* to provide inpatient hospital services as treatment for substance abuse only if it has been determined, in accordance with guidelines issued by the Secretary, that such treatment is a medical necessity for the individual involved, and that the individual cannot be effectively treated in a community-based, nonhospital, residential program of treatment.

(2) RATE OF PAYMENT.—In the case of an individual for whom a grant under [section 1921] *this subpart* is expended to provide inpatient hospital services described in paragraph (1), a funding agreement for the grant for the State involved is that the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, nonhospital, residential programs of treatment for substance abuse.

(c) WAIVER REGARDING CONSTRUCTION OF FACILITIES.—

(1) IN GENERAL.—The Secretary may provide to any State a waiver of the restriction established in subsection (a)(1)(C) for the purpose of authorizing the State to expend a grant under [section 1921] *this subpart* for the construction of a new facility or rehabilitation of an existing facility, but not for land acquisition.

* * * * * * *

[SEC. 1932. [300x–32] APPLICATION FOR GRANT; APPROVAL OF STATE PLAN.]

* * * * * * *

[(5) the application contains the information required in section 1929] *this subpart*, the information required in section 1930(c)(2), and the report required in section 1942(a);

[(6)(A) the application contains a plan in accordance with subsection (b) and the plan is approved by the Secretary; and

[(B) the State provides assurances satisfactory to the Secretary that the State complied with the provisions of the plan under subparagraph (A) that was approved by the Secretary for the most recent fiscal year for which the State received a grant under [section 1921] *this subpart*; and]

* * * * * * *

[(b) STATE PLAN.—

[(1) IN GENERAL.—A plan submitted by a State under subsection (a)(6) is in accordance with this subsection if the plan contains detailed provisions for complying with each funding agreement for a grant under [section 1921] *this subpart* that is applicable to the State, including a description of the manner in which the State intends to expend the grant.

[(2) AUTHORITY OF SECRETARY REGARDING MODIFICATIONS.—As a condition of making a grant under [section 1921] *this subpart* to a State for a fiscal year, the Secretary may require that the State modify any provision of the plan submitted by the State under subsection (a)(6) (including provisions on priorities in carrying out authorized activities). If the Secretary approves the plan and makes the grant to the State for the fiscal year, the Secretary may not during such year require the State to modify the plan.

[(3) AUTHORITY OF CENTER FOR SUBSTANCE ABUSE PREVENTION.—With respect to plans submitted by the States under subsection (a)(6), the Secretary, acting through the Director of the Center for Substance Abuse Prevention, shall review and approve or disapprove the provisions of the plans that relate to prevention activities.

* * * * * * *

[(d) ISSUANCE OF REGULATIONS; PRECONDITION TO MAKING GRANTS.—

[(1) REGULATIONS.—Not later than August 25, 1992, the Secretary, acting as appropriate through the Director of the Center for Treatment Improvement or the Director of the Center for Substance Abuse Prevention, shall by regulation establish standards specifying the circumstances in which the Secretary will consider an application for a grant under [section 1921] *this subpart* to be in accordance with this section.

[(2) ISSUANCE AS PRECONDITION TO MAKING GRANTS.—The Secretary may not make payments under any grant under [section 1921] *this subpart* for fiscal year 1993 on or after January 1, 1993, unless the Secretary has issued standards under paragraph (1).]

SEC. 1933. [300x–33] DETERMINATION OF AMOUNT OF ALLOTMENT.

(a) STATES.—

(1) IN GENERAL.—Subject to subsection (b), the Secretary shall determine the amount of the allotment required in [section 1921] *this subpart* for a State for a fiscal year as follows:

[(A) The formula established in paragraph (1) of section 1918(a) shall apply to this subsection to the same extent and in the same manner as a formula applies for purposes of section 1918(a) *as in effect on January 1, 1995*, except that, in the application of such formula for purposes of this subsection, the modifications described in subparagraph (B) shall apply.

(B) For purposes of subparagraph (A), the modifications described in this subparagraph are as follows:

(i) The amount specified in paragraph (2)(A) of section 1918(a) is deemed to be the amount appropriated under section 1935(a) for allotments under [section 1921] *this subpart* for the fiscal year involved.

* * * * * * *

[(b) MINIMUM ALLOTMENTS FOR STATES.—For each of the fiscal years 1993 and 1994, the amount of the allotment required in [section 1921] *this subpart* for a State for the fiscal year involved shall be the greater of—

[(1) the amount determined under subsection (a) for the State for the fiscal year; and

[(2) an amount equal to 79.4 percent of the amount received by the State from allotments made pursuant to this part for fiscal year 1992 (including reallotments under section 205(a) of the ADAMHA Reorganization Act).]

[(c)] *(b)* TERRITORIES.—

(1) DETERMINATION UNDER FORMULA.—Subject to paragraphs (2) and (4), the amount of an allotment under [section 1921] *this subpart* for a territory of the United States for a fiscal year shall be the product of—

* * * * * * *

(ii) the aggregate civilian population of the territories of the United States, as indicated by such data.

(2) MINIMUM ALLOTMENT FOR TERRITORIES.—The amount of an allotment under [section 1921] *this subpart* for a territory of the United States for a fiscal year shall be the greater of—

(A) the amount determined under paragraph (1) for the territory for the fiscal year; *and*

(B) $50,000[; and].

[(C) with respect to fiscal years 1993 and 1994, an amount equal to 79.4 percent of the amount received by the territory from allotments made pursuant to this part for fiscal year 1992.]

(3) RESERVATION OF AMOUNTS.—The Secretary shall each fiscal year reserve for the territories of the United States 1.5 percent of the amounts appropriated under section 1935(a) for allotments under [section 1921] *this subpart* for the fiscal year.

* * * * * * *

[(d)] *(c)* INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

(1) IN GENERAL.—If the Secretary—

(A) * * *

* * * * * * *

the Secretary shall reserve from the allotment under [section 1921] *this subpart* for the State for the fiscal year involved an amount that bears the same ratio to the allotment as the amount provided under this subpart to the tribe or tribal organization for fiscal year 1991 for activities relating to the prevention and treatment of the abuse of alcohol and other drugs bore to the amount of the portion of the allotment under this subpart for the State for such fiscal year that was expended for such activities.

* * * * * * *

SEC. 1934. [300x–34] DEFINITIONS.

For purposes of this subpart:

(1) The term "authorized activities", subject to section 1931, means the activities described in section 1921(b).

(2) The term "funding agreement", with respect to a grant under [section 1921] *this subpart* to a State, means that the Secretary may make such a grant only if the State makes the agreement involved.

* * * * * * *

(3) The term "performance indicator" means a quantifiable characteristic used as a measurement.

(4) The term "performance target" means a numerical value sought to be achieved within a specified period of time.

[(3)] *(5)* The term "prevention activities", subject to section 1931 means activities to prevent substance abuse.

[(4)] *(6)* The term "substance abuse" means the abuse of alcohol or other drugs.

[(5)] *(7)* The term "treatment activities" means treatment services and, subject to section 1931, authorized activities that are related to treatment services.

[(6)] *(8)* The term "treatment facility" means an entity that provides treatment services.

[(7)] *(9)* The term "treatment services", subject to section 1931, means treatment for substance abuse.

* * * * * * *

SEC. 1935. [300x–35] FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, subpart III and section 505 with respect to substance abuse, and section 515(d), there are authorized to be appropriated [$1,500,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.] *$1,300,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 1999.*

[(b) ALLOCATIONS FOR TECHNICAL ASSISTANCE, NATIONAL DATA BASE, DATA COLLECTION, AND PROGRAM EVALUATIONS.—

[(1) IN GENERAL.—

[(A) For the purpose of carrying out section 1948(a) with respect to substance abuse, section 515(d), and the pur-

poses specified in subparagraphs (B) and (C), the Secretary shall obligate 5 percent of the amounts appropriated under subsection (a) each fiscal year.

[(B) The purpose specified in this subparagraph is the collection of data in this paragraph is carrying out section 505 with respect to substance abuse.

[(C) The purpose specified in this subparagraph is the conduct of evaluations of authorized activities to determine methods for improving the availability and quality of such activities.

[(2) ACTIVITIES OF CENTER FOR SUBSTANCE ABUSE PREVENTION.—Of the amounts reserved under paragraph (1) for a fiscal year, the Secretary, acting through the Director of the Center for Substance Abuse Prevention, shall obligate 20 percent for carrying out paragraph (1)(C), section 1949(a) with respect to prevention activities, and section 515(d).]

(b) RESERVED FUNDS.—

(1) IN GENERAL.—The Secretary shall reserve 5 percent of the amount appropriated for a fiscal year under subsection (a)—

(A) to carry out sections 505 (providing for data collection) and 1948(a) (providing for technical assistance to States) with respect to substance abuse;

(B) to carry out section 515(d) (providing for a performance substance abuse data base); and

(C) to conduct evaluations concerning programs supported under this subpart.

The Secretary may carry out activities funded pursuant to this paragraph directly, or through grants, contracts, or cooperative agreements.

(2) DATE COLLECTION INFRASTRUCTURE.—In carrying out this subsection, the Secretary shall make available grants and contracts to States for development and strengthening of State core capacity (including infrastructure) for data collection and evaluation.

(3) PREVENTION.—Of the amounts reserved under paragraph (1) for a fiscal year, the Secretary shall ensure that 20 percent of such amounts shall be used for activities related to prevention.

* * * * * * *

SEC. 1942. [300x–52] REQUIREMENT OF REPORTS AND AUDITS BY STATES.

(a) REPORTS.—A funding agreement for a grant under [section 1911 or 1921] *subpart I or II* is that the State involved will submit to the Secretary a report in such form and containing such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary for securing a record and a description of—

(1) the purposes for which the grant received by the State for the preceding fiscal year under the program involved were expended and a description of the activities of the State under the program; [and]

(2) the recipients of amounts provided in the grant[.]*; and*

(3) the performance of the State in relation to the objectives specified or agreed upon under sections 1912(b)(5) or section 1921A(b)(5), as applicable.

(b) AUDITS.—A funding agreement for a grant under [section 1911 or 1921] *subpart I or II* is that the State will, with respect to the grant, comply with chapter 75 of title 31, United States Code.

(c) AVAILABILITY TO PUBLIC.—A funding agreement for a grant under [section 1911 or 1921] *subpart I or II* is that the State involved will—

* * * * * * *

SEC. 1943. [300x–53] ADDITIONAL REQUIREMENTS.

(a) IN GENERAL.—A funding agreement for a grant under [section 1911 or 1921] *subpart I or II* is that the State involved will—

[(1)(A) for the fiscal year for which the grant involved is provided, provide for independent peer review to assess the quality, appropriateness, and efficacy of treatment services provided in the State to individuals under the program involved; and

[(B) ensure that, in the conduct of such peer review, not fewer than 5 percent of the entities providing services in the State under such program are reviewed (which 5 percent is representative of the total population of such entities);]

(1) provide for a review (the conduct of which shall to extent practicable be completed annually, but in any event not less than once every 2 years) to assess the quality, appropriateness, and efficacy of treatment through existing State accreditation and certification standards, processes, and procedures of the services provided under the State program;

(2) permit and cooperate with Federal investigations undertaken in accordance with section 1945; and

(3) provide to the Secretary any data required by the Secretary pursuant to section 505 and will cooperate with the Secretary in the development of uniform criteria for the collection of data pursuant to such section.

* * * * * * *

(b) PATIENT RECORDS.—The Secretary may make a grant under [section 1911 or 1921] *subpart I or II* only if the State involved has in effect a system to protect from inappropriate disclosure patient records maintained by the State in connection with an activity funded under the program involved or by any entity which is receiving amounts from the grant.

SEC. 1944. [300x–54] DISPOSITION OF CERTAIN FUNDS APPROPRIATED FOR ALLOTMENTS.

(a) IN GENERAL.—Amounts described in subsection (b) and available for a fiscal year pursuant to [section 1911 or 1921] *subpart I or II*, as the case may be, shall be allotted by the Secretary and paid to the States receiving a grant under the program involved, other than any State referred to in subsection (b) with respect to such program. Such amounts shall be allotted in a manner equiva-

lent to the manner in which the allotment under the program involved was determined.

* * * * * * *

(3) in the case of the program established in [section 1911] *subpart I*, are available as a result of reductions in allotments under such section pursuant to section [1912(d) or] 1915(b); or

(4) in the case of the program established in [section 1921] *subpart II*, are available as a result of reductions in allotments under such section pursuant to section 1926 or 1930.

SEC. 1945. [300x–55] FAILURE TO COMPLY WITH AGREEMENTS.

(a) SUSPENSION OR TERMINATION OF PAYMENTS.—* * *

* * * * * * *

(b) REPAYMENT OF PAYMENTS.—

(1) IN GENERAL.—Subject to subsection (e), the Secretary may require a State to repay with interest any payments received by the State under [section 1911 or 1921] *subpart I or II* that the Secretary determines were not expended by the State in accordance with the agreements required under the program involved.

* * * * * * *

(c) WITHHOLDING OF PAYMENTS.—

(1) IN GENERAL.—Subject to subsections (e) and (g)(3), the Secretary may withhold payments due under [section 1911 or 1921] *subpart I or II* if the Secretary determines that the State involved is not expending amounts received under the program involved in accordance with the agreements required under the program.

* * * * * * *

(2) RELEVANT CONDITIONS.—For purposes of paragraph (1):

(A) In the case of the program established in [section 1911] *subpart I*, a condition referred to in this paragraph is [the condition established in section 1912(d) and] the condition established in section 1915(b).

(B) In the case of the program established in [section 1921] *subpart II*, a condition referred to in this paragraph is the condition established in [section 1926] *subpart II* and the condition established in section 1930.

(g) CERTAIN INVESTIGATIONS.—

(1) REQUIREMENT REGARDING SECRETARY.—The Secretary shall [in fiscal year 1994 and each subsequent fiscal year conduct in not less than 10 States investigations of the expenditure of grants received by the States] under section 1911 or 1921 *subpart I or II* [in order to evaluate compliance with the agreements required under the program involved.], *not more frequently than once every 3 nor less frequently than once every 5 years, conduct an on-site performance review of a State's activities supported under this part.*

(2) PROVISION OF RECORDS ETC. UPON REQUEST.—Each State receiving a grant under [section 1911 or 1921] *subpart I or II,* and each entity receiving funds from the grant, shall make appropriate books, documents, papers, and records available to

the Secretary or the Comptroller General, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

* * * * * * *

SEC. 1946. [300x–56] PROHIBITIONS REGARDING RECEIPT OF FUNDS.

(a) ESTABLISHMENT.—

(1) CERTAIN FALSE STATEMENTS AND REPRESENTATIONS.—A person shall not knowingly and willfully make or cause to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payments may be made by a State from a grant made to the State under [section 1911 or 1921] *subpart I or II*.

(2) CONCEALING OR FAILING TO DISCLOSE CERTAIN EVENTS.—A person with knowledge of the occurrence of any event affecting the initial or continued right of the person to receive any payments from a grant made to a State under [section 1911 or 1921] *subpart I or II* shall not conceal or fail to disclose any such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such amount is due.

* * * * * * *

SEC. 1947. [300x–57] NONDISCRIMINATION.

(a) IN GENERAL.—

(1) RULE OF CONSTRUCTION REGARDING CERTAIN CIVIL RIGHTS LAWS.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under [section 1911 or 1921] *subpart I or II* shall be considered to be programs and activities receiving Federal financial assistance.

(2) PROHIBITION.—No person shall on the ground of sex (including, in the case of a woman, on the ground that the woman is pregnant), or on the ground of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under [section 1911 or 1921] *subpart I or II*.

(b) ENFORCEMENT.—

(1) REFERRALS TO ATTORNEY GENERAL AFTER NOTICE.—Whenever the Secretary finds that a State, or an entity that has received a payment pursuant to [section 1911 or 1921] *subpart I or II*, has failed to comply with a provision of law referred to in subsection (a)(1) with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request the chief executive officer to secure compliance. If within a reasonable period of time, not

to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

* * * * * * *

SEC. 1948. [300x–58] TECHNICAL ASSISTANCE AND PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.

(a) TECHNICAL ASSISTANCE.—The Secretary shall, without charge to a State receiving a grant under [section 1911 or 1921], *subpart I or II* provide to the State (or to any public or nonprofit private entity within the State) technical assistance with respect to the planning, development, and operation of any program or service carried out pursuant to the program involved. The Secretary may provide such technical assistance directly, [through contract, or through grants] *or through grants, contracts, or cooperative agreements*.

(b) PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.—

(1) IN GENERAL.—Upon the request of a State receiving a grant under [section 1911 or 1921] *subpart I or II*, the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purpose of aiding the State in carrying out the program involved and, for such purpose, may detail to the State any officer or employee of the Department of Health and Human Services.

* * * * * * *

[SEC. 1949. [300x–59] REPORT BY SECRETARY.

[Not later than January 24, 1994, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report on the activities of the States carried out pursuant to the programs established in [sections 1911 and 1921] *subparts I and II*. Such report may include any recommendations of the Secretary for appropriate changes in legislation.]

SEC. 1949. REGULATIONS.

The Secretary shall promulgate regulations as the Secretary determines are necessary to carry out this part.

SEC. 1950. [300x–60] RULE OF CONSTRUCTION REGARDING DELEGATION OF AUTHORITY TO STATES.

With respect to States receiving grants under [section 1911 or 1921] *subpart I or II*, this part may not be construed to authorize the Secretary to delegate to the States the primary responsibility for interpreting the governing provisions of this part.

SEC. 1952. [300x–62] AVAILABILITY TO STATES OF GRANT PAYMENTS.

(a) IN GENERAL.—Subject to subsection (b), any amounts paid to a State under the program involved shall be available for obligation [until the end of the fiscal year for which the amounts were paid, and if obligated by the end of such year, shall remain available for expenditure until the end of the succeeding fiscal year.] *and expenditure until the end of the fiscal year following the fiscal year for which the amounts were paid.*

* * * * * * *

SEC. 1953. [300x–63] CONTINUATION OF CERTAIN PROGRAMS.

(a) IN GENERAL.—Of the amount allotted to the State of Hawaii under [section 1911] *subpart I*, and the amount allotted to such State under [section 1921] *subpart II*, an amount equal to the proportion of Native Hawaiians residing in the State to the total population of the State shall be available, respectively, for carrying out the program involved for Native Hawaiians.

* * * * * * *

SEC. 1954. [300x–64] DEFINITIONS.

(a) DEFINITIONS FOR SUBPART III.—For purposes of this subpart:

(1) The term "program involved" mans the program of grants established in [section 1911 or 1922] *subpart I or II*, or both, as indicated by whether the State involved is receiving or is applying to receive a grant under [section 1911 or 1912] *subpart I or II*, or both.

(2)(A) The term "funding agreement", with respect to a grant under [section 1911] *subpart I*, has the meaning given such term in section 1911.

(B) The term "funding agreement", with respect to a grant under [section 1921] *subpart II*, has the meaning given such term in section 1934.

* * * * * * *

(5) The term "performance indicator" means a quantifiable characteristic used as a measurement.

(6) The term "performance target" means a numerical value sought to be achieved within a specified period of time.

* * * * * * *

SEC. 1955. AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.

(a) IN GENERAL.—A State may use not more than 10 percent of the annual amount paid to the State under subpart I or subpart II for a fiscal year to carry out—

(1) in the case of amounts from subpart I, activities pursuant to subpart II; or

(2) in the case of amounts from subpart II, activities pursuant to subpart I.

(b) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out activities as provided for under subsection (a) shall comply with the requirements that apply to funds provided directly under either subpart I or II, as the case may be, to carry out the activities.

* * * * * * *

PART C—CERTAIN PROGRAMS REGARDING SUBSTANCE ABUSE

Subpart I—Expansion of Capacity for Providing Treatment

[SEC. 1971. [300y] CATEGORICAL GRANTS TO STATES.

[(a) GRANTS FOR STATES WITH INSUFFICIENT CAPACITY.—

[(1) IN GENERAL.—The Secretary, acting through the Director of the Center for Substance Abuse Treatment, may make grants to States for the purpose of increasing the maximum number of individuals to whom public and nonprofit private entities in the States are capable in providing effective treatment for substance abuse.

[(2) ELIGIBLE STATES.—The Director may not make a grant under subsection (a) to a State unless the number of individuals seeking treatment services in the State significantly exceeds the maximum number described in paragraph (1) that is applicable to the State.

[(b) PRIORITY IN MAKING GRANTS.—

[(1) RESIDENTIAL TREATMENT SERVICES FOR PREGNANT WOMEN.—In making grants under subsection (a), the Director shall give priority to States that agree to give priority in the expenditure of the grant to carrying out the purpose described in such subsection as the purpose relates to the provision of residential treatment services to pregnant women.

[(2) ADDITIONAL PRIORITY REGARDING MATCHING FUNDS.—In the case of any application for a grant under subsection (a) that is receiving priority under paragraph (1), the Director shall give further priority to the application if the State involved agrees as a condition of receiving the grant to provide non-Federal contributions under subsection (c) in a greater amount than the amount required under such subsection for the applicable fiscal year.

[(c) REQUIREMENT OF MATCHING FUNDS.—

[(1) IN GENERAL.—Subject to paragraph (3), the Director may not make a grant under subsection (a) unless the State agrees, with respect to the costs of the program to be carried out by the State pursuant to such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is—

[(A) for the first fiscal year for which the State receives such a grant, not less than $1 for each $9 of Federal funds provided in the grant;

[(B) for any second or third such fiscal year, not less than $1 for each $9 of Federal funds provided in the grant; and

[(C) for any subsequent such fiscal year, not less than $1 for each $3 of Federal funds provided in the grant.

[(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

[(3) WAIVER.—The Director may waive the requirement established in paragraph (1) if the Director determines that extraordinary economic conditions in the State justify the waiver.

[(d) LIMITATION REGARDING DIRECT TREATMENT SERVICES.—The Director may not make a grant under subsection (a) unless the

State involved agrees that the grant will be expended only for the direct provision of treatment services. The preceding sentence may not be construed to authorize the expenditure of such a grant for the planning or evaluation of treatment services.

[(e) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

[(f) DURATION OF GRANT.—The period during which payments are made to a State from a grant under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Director of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments.

[(g) MAINTENANCE OF EFFORT.—The Director may not make a grant under subsection (a) unless the State involved agrees to maintain State expenditures for substance abuse treatment services at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the first fiscal year for which the State receives such a grant.

[(h) RESTRICTIONS ON USE OF GRANT.—The Director may not make a grant under subsection (a) unless the State involved agrees that the grant will not be expended—

[(1) to provide inpatient hospital services;

[(2) to make cash payments to intended recipients of health services;

[(3) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

[(4) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

[(5) to provide financial assistance to any entity other than a public or nonprofit private entity.

[(i) DEFINITIONS.—For purposes of this section—

[(1) The term "Director" means the Director of the Center for Substance Abuse Treatment.

[(2) The term "substance abuse" means the abuse of alcohol or other drugs.

[(j) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $86,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.]

* * * * * * *

TITLE 28, UNITED STATES CODE

* * * * * * *

[CHAPTER 175—CIVIL COMMITMENT AND REHABILITATION OF NARCOTIC ADDICTS

[§ 2901. Definitions

[As used in this chapter—

[(a) "Addict" means any individual who habitually uses any narcotic drug as defined by section 4731 of the Internal Revenue Code of 1954, as amended, so as to endanger the public morals, health, safety, or welfare, or who is so far addicted to the use of such narcotic drugs a to have lost the power of self-control with reference to his addiction.

[(b) "Surgeon General" means the Surgeon General of the Public Health Service.

[(c) "Crime of violence" includes voluntary manslaughter, murder, rape, mayhem, kidnaping, robbery, burglary or housebreaking in the nighttime, extortion accompanied by threats of violence, assault with a dangerous weapon or assault with intent to commit any offense punishable by imprisonment for more than one year, arson punishable as a felony, or an attempt or conspiracy to commit any of the foregoing offenses.

[(d) "Treatment" includes confinement and treatment in an institution and under supervised aftercare in the community and includes, but is not limited to, medical, educational, social, psychological, and vocational services, corrective and preventive guidance and training, and other rehabilitative services designed to protect the public and benefit the addict by correcting his antisocial tendencies and ending his dependence on addicting drugs and his susceptibility to addiction.

[(e) "Felony" includes any offense in violation of a law of the United States classified as a felony under section 1 of title 38 of the United States Code, and further includes any offense in violation of a law of any State, any possession or territory of the United States, the District of Columbia, the Canal Zone, or the Commonwealth of Puerto Rico, which at the time of the offense was classified as a felony by the law of the place where that offense was committed.

[(f) "Conviction" and "convicted" mean the final judgment on a verdict or finding of guilty, a plea of guilty, or a plea of nolo contendere, but do not include a final judgment which has been expunged by pardon, reversed, set aside or otherwise rendered nugatory.

[(g) "Eligible individual" means any individual who is charged with an offense against the United States, but does not include—

[(1) an individual charged with a crime of violence.

[(2) an individual charged with unlawfully importing, selling, or conspiring to import or sell, a narcotic drug.

[(3) an individual against whom there is pending a prior charge of a felony which has not been finally determined or who is on probation or whose sentence following conviction of such a charge, including any time on parole or mandatory release, has not been fully served: *Provided*, That an individual on probation, parole, or mandatory release shall be included if the authority authorized to require his return to custody consents to his commitment.

[(4) an individual who has been convicted of a felony on two or more occasions.

[(5) an individual who has been civilly committed under this Act, under the District of Columbia Code, or any State proceeding because of narcotic addiction on three or more occasions.

[§ 2902. Discretionary authority of court; examination, report, and determination by court; termination of civil commitment

[(a) If the United States district court believes that an eligible individual is an addict, the court may advise him at his first appearance or thereafter at the sole discretion of the court that the prosecution of the criminal charge will be held in abeyance if he elects to submit to an immediate examination to determine whether he is an addict and is likely to be rehabilitated through treatment. In offering an individual an election, the court shall advise him that if he elects to be examined, he will be confined during the examination for a period not to exceed sixty days; that if he is determined to be an addict who is likely to be rehabilitated, he will be civilly committed to the Surgeon General for treatment; that he may not voluntarily withdraw from the examination or any treatment which may follow; that the treatment may last for thirty-six months; that during treatment, he will be confined in an institution and, at the discretion of the Surgeon General, he may be conditionally released for supervised aftercare treatment in the community; and that if he successfully completes treatment the charge will be dismissed, but if he does not, prosecution on the charge will be resumed. An individual upon being advised that he may elect to submit to an examination shall be permitted a maximum of five days within which to make his election. Except on a showing that a timely election could not have been made, an individual shall be barred from an election after the prescribed period. An individual who elects civil commitment shall be placed in the custody of the Attorney General or the Surgeon General, as the court directs, for an examination by the Surgeon General during a period not to exceed thirty days. This period, may, upon notice to the court and the appropriate United States attorney, be extended by the Surgeon General for an addition thirty days.

[(b) The Surgeon General shall report to the court the results of the examination and recommend whether the individual should be civilly committed. A copy of the report shall be made available to the individual and the United States attorney. If the court, acting on the report and other information coming to its attention, determines that the individual is not an addict or is an addict not likely to be rehabilitated through treatment, the individual shall be held to answer the abeyant charge. If the court determines that the individual is an addict and is likely to be rehabilitated through treatment, the court shall commit him to the custody of the Surgeon General for treatment, except that no individual shall be committed under this chapter if the Surgeon General certifies that adequate facilities or personnel for treatment are unavailable.

[(c) Whenever an individual is committed to the custody of the Surgeon General for treatment under this chapter the criminal charge against him shall be continued without final disposition and shall be dismissed if the Surgeon General certifies to the court that the individual has successfully completed the treatment program. On receipt of such certification, the court shall discharge the individual from custody and dismiss the charge against him. If prior to such certification the Surgeon General determines that the individual cannot be further treated as a medical problem, he shall advise the court. The court shall thereupon terminate the commitment, and the pending criminal proceeding shall be resumed.

[(d) An individual committed for examination or treatment shall not be released on bail or on his own recognizance.

[(e) Whoever escapes or attempts to escape while committed to institutional custody for examination or treatment, or whoever rescues or attempts to rescue or instigates, aids, or assists the escape or attempt to escape of such a person, shall be subject to the penalties provided in sections 751 and 752 of title 18, United States Code.

[§ 2903. Authority and responsibilities of the Surgeon General; institutional custody; aftercare; maximum period of civil commitment; credit toward sentence

[(a) An individual who is committed to the custody of the Surgeon General for treatment under this chapter shall not be conditionally released from institutional custody until the Surgeon General determines that he has made sufficient progress to warrant release to a supervisory aftercare authority. If the Surgeon General is unable to make such a determination at the expiration of twenty-four months after the commencement of institutional custody, he shall advise the court and the appropriate United States attorney whether treatment should be continued. The court may affirm the commitment or terminate it and resume the pending criminal proceeding.

[(b) An individual who is conditionally released from institutional custody shall, while on release, remain in the legal custody of the Surgeon General and shall report for such supervised aftercare treatment as the Surgeon General directs. He shall be subject to home visits and to such physical examination and reasonable regulation of his conduct as the supervisory aftercare authority establishes, subject to the approval of the Surgeon General.

The Surgeon General may, at any time, order a conditionally release individual to return for institutional treatment. The Surgeon General's order shall be a sufficient warrant for the supervisory aftercare authority, a probation officer, or any Federal officer authorized to serve criminal process within the United States to apprehend and return the individual to institutional custody as directed. If it is determined that an individual has returned to the use of narcotics, the Surgeon General shall inform the court of the conditions under which the return occurred and make a recommendation as to whether treatment should be continued. The court may affirm the commitment or terminate it and resume the pending criminal proceeding.

[(c) The total period of treatment for any individual committed to the custody of the Surgeon General shall not exceed thirty-six months. If, at the expiration of such maximum period, the Surgeon General is unable to certify that the individual has successfully completed his treatment program the pending criminal proceeding shall be resumed.

[(d) Whenever a pending criminal proceeding against an individual is resumed under this chapter, he shall receive full credit toward the service of any sentence which may be imposed for any time spent in the institutional custody of the Surgeon General or the Attorney General or any other time spent in institutional custody in connection with the matter for which sentence is imposed.

[§ 2904. Civil commitment not a conviction; use of test results

[The determination of narcotic addiction and the subsequent civil commitment under this chapter shall not be deemed a criminal conviction. The results of any tests or procedures conducted by the Surgeon General or the supervisory aftercare authority to determine narcotic addiction may only be used in a further proceeding under this chapter. They shall not be used against the examined individual in any criminal proceeding except that the fact that he is a narcotic addict may be elicited on his cross-examination as bearing on his credibility as a witness.

[§ 2905. Delegation of functions by Surgeon General; use of Federal, State, and private facilities

[(a) The Surgeon General may from time to time make such provision as he deems appropriate authorizing the performance of any of his functions under this chapter by any other officer or employee of the Public Health Service, or with the consent of the head of the Department or Agency concerned, by any Federal or other public or private agency or officer or employee thereof.

[(b) The Surgeon General is authorized to enter into arrangements with any public or private agency or any person under which appropriate facilities or services of such agency or person will be made available, on a reimbursable basis or otherwise, for the examination or treatment of individuals who elect civil commitment under this chapter.

[§ 2906. Absence of offer by the court to a defendant of an election under section 2902(a) or any determination as to civil commitment, not reviewable on appeal or otherwise

[The failure of a court to offer a defendant an election under section 2902(a) of this chapter, or a determination relative to civil commitment under this chapter shall not be reviewable on appeal or otherwise.]

* * * * * * *

TITLE 42, UNITED STATES CODE

* * * * * * *

SEC. 10822. ALLOTMENTS.

(a) FORMULA * * *

(1)(A) * * *

* * * * * * *

(B) For purposes of subparagraph (A)(ii), the term "relative per capita income" means the quotient of the per capita income of the United States and the per capita income of the State, except that if the State is Guam, American Samona, the Commonwealth of the Northern Mariana Islands, the [Trust Territory of the Pacific Islands] *Marshall Islands, the Federated States of Micronesia, the Republic of Palau*, or the Virgin Islands, the quotient shall be considered to be one.

[(2) Notwithstanding paragraph (1) and subject to the availability of appropriations under section 10827 of this title—

[(A) if the total amount appropriated in a fiscal year is at least $13,000,000—

[(i) the amount of the allotment of the eligible system of each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico shall be the greater of—

[(I) $140,000; or

[(II) $125,000 in addition to the amount determined under paragraph (3); and

[(ii) the amount of the allotment of the eligible system of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands shall be the greater of—

[(I) $75,000; or

[(II) $67,000 in addition to the amount determined under paragraph (3); and

[(B) if the total amount appropriated in a fiscal year is less than $13,000,000, the amount of the allotment of the eligible system—

[(i) of each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico shall not be less than $125,000 in addition to the amount determined under paragraph (3); and

[(ii) of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands shall not be less than $67,000 in addition to the amount determined under paragraph (3).]

(2)(A) The minimum amount of the allotment of an eligible system shall be the product (rounded to the nearest $100) of the appropriate base amount specified in subparagraph (B) and the factor specified in subparagraph (C).

(B) For purposes of subparagraph (A), the appropriate base amount—

(i) for American Samoa, Guam, the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, and the Virgin Islands, is $139,300; and

(ii) for any other State, is $260,000.

(C) For purposes of subparagraph (A), the factor specified in this subparagraph is the ratio of the amount appropriated under section 117 for the fiscal year for which the allotment is being made to the amount appropriation under such section for fiscal year 1995.

[(3) In any case in which the total amount appropriated under section 10827 of this title for a fiscal year exceeds the total amount appropriated under such section, as in effect on October 19, 1988, for the preceding fiscal year by a percentage greater than the most recent percentage change in the Consumer Price Index published by the Secretary of Labor under section 720(c)(1) of Title 29, the Secretary shall increase each of the allotments under clauses (i)(II) and (ii)(II) of subparagraph (A) and clauses (i) and (ii) of subparagraph (B) of paragraph (2) by an amount which bears the same ratio to the amount of such minimum allotment (including any increases in such minimum allotment under this paragraph for prior fiscal years) as the amount which is equal to the difference between—

[(A) the total amount appropriated under section 10827 of this title for the fiscal year for which the increase in minimum allotment is made, minus;

[(B) the total amount appropriated under section 10827 of this title for the immediately preceding fiscal year,

bears to the total amount appropriated under section 10827 of this title for such preceding fiscal year.]

* * * * * * *

§ 10827. Authorization of appropriations

There are authorized to be appropriated for allotments under this subchapter, $19,500,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through [1995] *1999*.

* * * * * * *

NARCOTIC ADDICT REHABILITATION ACT OF 1966

* * * * * * *

Titles III and IV of the Narcotic Addict Rehabilitation Act of 1966 are repealed.

* * * * * * *

PUBLIC LAW 99–319

* * * * * * *

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Protection and Advocacy for Mentally Ill Individuals Act of 1986".]

SECTION 1. SHORT TITLE.

This Act may be cited as the "Protection and Advocacy for Individuals With Mental Illnesses Act."

* * * * * * *

STEWART B. McKINNEY HOMELESS ASSISTANCE ACT

* * * * * * *

[SEC. 612. COMMUNITY MENTAL HEALTH SERVICES DEMONSTRATION PROJECTS FOR HOMELESS INDIVIDUALS WHO ARE CHRONICALLY MENTALLY ILL.

[(a) IN GENERAL.—For payments pursuant to section 520 of the Public Health Service Act, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 1993, in addition to any other amounts authorized to be appropriated for such payments for each of such fiscal years. Such additional amounts shall be available only for the provision of community-based mental health services to homeless individuals who are chronically mentally ill.

[(b) AVAILABILITY.—Amounts paid to a grantee under section 520 of the Public Health Service Act pursuant to subsection (a) remaining unobligated at the end of the fiscal year in which the amounts were received shall remain available to the grantee during the succeeding fiscal year for the purposes for which the payments were made.]

* * * * * * *

○